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SOVIET UNION ECONOMIC AFFAIRS

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BUNICH ELABORATES ON INTRICACIES OF SELF-FINANCING

Moscow EKONOMICHESKIYE NAUKI in Russian No 5, May 87 pp 54-62

[Article by P. Bunich, corresponding member of the USSR Academy of Sciences: "The Problems of Deepening the Relations of Self-Financing in the USSR National Economy"; passages within slantlines published in italics]

[Text] Even now, as noted at the January (1987) Plenum of the CPSU Central Committee, "a number of branches, enterprises, and associations have begun to operate on the basis of full cost accounting (*khozraschet*) and self-financing."⁽¹⁾ During the current 5-year planning period the principles of self-financing will be widely applied throughout the economy. The further development, deepening, and broadening of these principles is irreversible. "An organic system," K. Marx wrote, "has its prerequisites if it is to be an integrated totality, and its development in that direction consists precisely in subordinating all the elements of the community to itself or creating from it the organs it still lacks."⁽²⁾ Under the conditions of the present time this principle applies quite legitimately to the relations of self-financing in the USSR national economy, and this places before the science of economics a number of knotty problems which need to be solved.

Let us begin by saying that self-financing cannot be complete if the accounting of cost-accounting collectives treat net income in different ways. At the present time cost accounting does as a rule capture profit. The other form of net income--the turnover tax--is mainly not included in self-financing. At the same time it is permitted to commit up to 50 percent of the total amount of turnover tax obtained from the growth of production of goods resulting from measures financed with credit to repaying bank loans issued to enterprises in light industry. The amount of the turnover tax is entirely credited to the self-supporting nature of those expenditures. Is it justifiable to credit this income, which largely results from setting the prices of means of production too low, to the self-supporting nature of expenditures of light industry, which is only the place where it ends up?

Self-financing deserves the name only when unearned income has been eliminated, when it is complete, not partial. Beginning in 1987 the principles of self-financing are being implemented most consistently by the enterprises of Minkhimmash, Minpribor, Minavtoprom, Minneftekhimprom, 36 enterprises of 17 industrial ministries, in shipping companies and

organizations of Minmorflot, in a number of enterprises of civil aviation, in production cooperatives, and in the consumer cooperative system. The scope of self-financing is more restricted in light industry, consumer services to the public, construction, the agro-industrial complex, and state trade. In light industry major measures to expand existing capacities and activate new capacities at existing enterprises are being financed from centralized resources. Construction of major projects is financed on a centralized basis in the sphere of consumer services. Enterprises in the system of USSR Gosagroprom have been receiving budget appropriations mainly for outlays for the further development of the material and technical base to augment production and solve problems of social welfare. The size of these appropriations from year to year of the 5-year planning period has been adjusted to take into account an increasing share of "own" resources. In state trade construction of major projects which have intersector, sectorwide, interregional, and regional importance is being financed with centralized resources and from the state budget. The draft of the USSR Law on the State Enterprise (Association) proposes that retooling, reconstruction, and expansion of all enterprises be subject to self-financing procedure. Centralized resources will be allocated for large-scale measures in special cases.(3) It would seem that the self-financing regime could extend even to building new enterprises when their efficiency meets the standard level that allows for credits to be used. At present new enterprises are being financed from the state budget. Their share is approximately 50 percent of the total volume of capital investments.

Self-financing is closely bound up with the procedure for distribution of depreciation. Depreciation is left to enterprises of a majority of ministries converted to self-financing only insofar as it is required for real investments in fixed capital at the present moment. The remainder of depreciation is redistributed from enterprises with new capacities to enterprises where they are old. Even in state trade a portion of depreciation is centralized. This practice, which once again gives rise to tendencies toward dependency, violates the principles of self-financing. The draft of the USSR Law on the State Enterprise (Association) provides that all depreciation will remain at enterprises.(4)

It should be emphasized that even if depreciation remains entirely with enterprises, this still does not automatically mean authentic self-financing. After all, the present mechanism for the conduct of economic activity does not prevent enterprises from taking on to their balance sheets projects which have an excessively high price. Prices based on the cost approach also legitimize excessively high depreciation. Ultimately this results in excessive and unjustified funds for replacement of worn-out production plant, and the only reason they fail to serve that purpose is that the equipment acquired with those funds is in turn paid for at excessively high prices. In all of this someone loses and someone gains, since the balance between the cost increases of the original capital assets and their replacement can occur only by accident.

Externally and from the formal standpoint the outlays for raw materials, supplies, components, and fuel have always been covered on the basis of self-financing (which frequently involve taking credit, which in principle is

rightly considered a form which does not contradict self-financing). But when we take into account that at most enterprises the technologies used are not progressive enough and the allowances on physical inputs are high, as are stocks of raw materials, work in process, and inventories of finished goods, which means that working capital as a whole is extremely large, then the assertion as to the self-financing of current material costs is just as dubious as the analogous assertion about depreciation. What we have is not self-financing, but an appearance of it which is disguising inefficient conduct of business, providing "cost-accounting" amnesty to overexpenditures.

In all of these self-financing enterprises and branches wages are determined by adding up the base fund and its growth for augmenting normative net output. But quite often the base fund exceeds the socially necessary size. In this situation personal income is actually formed from general budget resources and proves not to be linked to authentic results of cost accounting. This departure from the principles of self-financing is disguised by the fact that "cost" prices include excessively high remuneration funds. The main shortcoming of systems in which the saving on wages remains with collectives (the Shchekino method, the new economic conditions, the economic mechanism of the agro-industrial complex and the railroads, and remuneration of personnel of production engineering services) is that wage funds become excessively large and do not have an objective basis. Another shortcoming of such systems is that in the context of the "overdeveloped" sphere of budget financing and the equivalent sectoral financing collectives at first build up excessive fixed capital at the expense of the state, and then on the basis of that they cut back the size of the staff and increase the average wage.(5)

New approaches have been noted recently. For instance, approval has been given to remuneration from net output (the "Tulasantekhnika" Association, the Cheboksary "Stroykeramika" Plant of the "Chuvashstroyaterialy" Association). Since 1987 the wage fund at enterprises of Minneftekhimprom, light industry and consumer services, in trade, geological organizations, and certain organizations for the supply of materials and equipment has been formed through distribution of the actual net output remaining to the collective into remuneration funds and profit on the basis of a standard ratio. Before this takes place deductions are made from net output for the charge on assets (if provided for), interest on loans, and deductions to the budget and to the ministry (when their rates are applied not to profit, but to net output).(6) Through differentiation of the charge on assets and to the budget a differentiation of wage funds (relative to the base) is brought about, and the effect of this is that of assigned standard rates. This largely paralyzes the strength of the new approach. At small enterprises in Estonian light industry they have gone further. There the wage fund is determined according to the results of distribution of newly created value without any relation whatsoever to the size or composition of the labor force.

Since 1986 wage funds have been formed in Glavmosavtotrans by applying a uniform standard rate to enterprise income. The category of gross income (the amount of net profit actually realized), which is close to net output, is being applied by many enterprises in the APK. Net output, once tax payments have been made to the state, is used for remuneration of labor (and for accumulation in jointly owned enterprises).

As for social adjustment of especially high individual earnings, it seems that a continuously rising progressive tax should be applied to individual income exceeding the nontaxed minimum.

The collective is not the sum total of the workers, but a higher productive force. This is true if every one of its members does good work. But if someone in the collective is performing poorly, not only do his personal indicators drop, but damage is also done to the entire economic unit; its productive force drops even below the simple sum of the powers of its workers.(7) Those who are at fault must be penalized to a greater degree, but some sort of losses are inevitable even for the other members of the collective. That is why, for example, in scientific organizations the personnel at fault for underfulfillment of plans for new technology are deprived of rewards based on the annual results, but the others are paid in reduced amounts. It follows from what we have said that the poor performance of individual workers undermines the self-financing capability of the collective as a whole. An awareness of this contradiction makes it possible to find the way out of it: the self-financing collective undertakes everything possible to make everyone a highly productive worker and to develop mutual aid and interchangeability. The trends toward standardization of present-day manufacturing processes and also the reduction of worktime spent on each work operation, the formation of small amounts of time in the work process, are creating the natural basis for this kind of interchangeability.

Self-financing is limited if costs are not fully taken into account and if production costs are underestimated. That is the situation today. The charge for land is applied only in the computations of project documentation to calculate the amount of compensation to agriculture for taking its land out of production, enterprises actually do not pay it, and consequently they are not motivated to limit the amount of space they occupy and they underestimate their costs. /The time has come to introduce a charge for land/ (and to include it in the production cost).

Now that science has become a productive force in its own right, depreciation should be set aside for its fixed capital, which is not done at the present time. Indeed the entire system of depreciation rates is outdated, and, as is well known, it is to be reviewed.

Penalties are too low. On the one hand collectives do not receive compensation for someone else's bad products, while on the other the producer does not pay sufficiently for his own mistakes. The situation is being rectified too slowly. Penalties (paid and received), pursuant to the draft of the Law on the State Enterprise (Association), will be applied to the size of cost-accounting income, and they would cause a further formation of funds for consumption and accumulation.(8)

In the system of self-financing profit--the summary indicator of economic efficiency, of the relation of results to costs--has a role which has not been reduced and which is not covered by application of the indicator of net output. Profit is the most important source for further development of production; it needs to be taken into account for computation of other funds

and payments to the state. At the same time we cannot agree that "...under the new conditions profit is the basic source of self-financing."(9) The replacement funds and remuneration funds have the predominant role as sources of self-financing.

The conversion of enterprises to self-financing from profit is following two patterns.

One of them is applied by enterprises of Minpribor, Minavtoprom, Minneftekhimprom, Minlegprom, Minmorflot, the Belorussian, Komi, and Lithuanian associations and Domodedovo Association of USSR Ministry of Civil Aviation, 36 enterprises of other ministries, as well as enterprises in the construction sector, consumer services to the public, and state trade. According to this scheme, the ministries fix the share of profit which every enterprise is to pay into centralized funds of the ministries (in Minneftekhimprom these payments are made by one-third of the enterprise, while the rest are exempted from them), how much profit must go into the budget in the form of the charge on assets (many enterprises do not pay this at all, and the rest make a contribution between 2 and 12 percent), and the share of profit which takes on the form of payments into the budget (it is even differentiated by years). The rates for formation of funds for the development of production, science, and technology differ from enterprise to enterprise so as to take into account the wear on their fixed capital. The rates of incentive funds are mainly established relative to the "base," and they may also be further individualized. The ministries decide who is to be assisted from their centralized funds. New construction projects, and in a number of cases even large-scale reconstruction and construction of major new projects, as we have already noted, are directly financed from the state budget.

All of these payments and revenues are determined on the basis of an examination and approval by the ministry of every enterprise's outlays for capital investments (which essentially turns them into centralized investments), for working capital, and for other purposes. The larger these outlays, the lower the payments. If enterprises are able to hike them up, the conditions in which they operate are then better. In such a situation high profitability is not a boon either, but a shortcoming. More work has to be done to achieve it, but the portion of profit which stays at the enterprise is the same as before. That is why it is advantageous to make profitability appear low.

The general picture comes down to the situation that collectives with high income lose, while those with low income gain. They are all, as it were, averaged out, brought to the same level, incentives are undercut before they are even able to have an effect. Self-financing according to this scheme, which is more correctly considered to be enforced self-financing, can be accomplished with a single instrument--differentiation of transfers from profit into the budget, even if all the other instruments appear externally to be of the same kind. But use of the entire group of economic instruments mentioned above, which are used to rub in resources for planned costs as one rubs in an ointment, is even more convenient in bringing about enforced self-financing.

Such a system did exist a few years ago in a number of ministries, and it was referred to as distribution of profit on shares. Its sole distinction from previous forms of relations with the budget was that previously the latter received the uncommitted free remainder of profit, while under the innovation it received a fixed share of it (not less than a planned absolute amount). The system of distribution of profit on shares did not result in any substantial constructive developments. Certain changes have been made in the system, which later came to be called the normative method of profit distribution. Payments began to be made into the budget in planned amounts only when the profit plan was entirely fulfilled or underfulfilled by less than 2 percent. A larger underfulfillment brought about a simultaneous reduction both of resources of enterprises and also resources of society. The normative method of profit distribution is now applied everywhere where the transition has been made to the new economic conditions.

The second procedure, adopted at enterprises of Minkhimmash.(10) In this case two scales of payments into the budget have been established; they determine the size of those payments as a function of the ratio of profitability to assets (property tax) and the ratio of profitability to production cost (income tax) regardless of the level of costs legitimized by the plan. If profitability is high, and costs low, the "excess profit" is left with the collective. It is in fact motivated to perform well; it strives to increase the fund for development of production, the fund for science and technology, and reserve funds, and to pay interest on loans taken earlier. If on the other hand profitability proves to be low, and costs high, the lack of profit is not made up by the state (in that those quantities are "recognized" by the plan), but by the collective itself--out of its earlier reserves or from new credits.

There are those who explain the dominant position of the first scheme by its introduction on the basis of the previously adopted 5-year plan. This argument deserves attention. But in Minkhimmash they have been able to introduce the tax scale even when the indicators of the 5-year plan existed. Showing sufficient persistence, other ministries have also been able to take steps in that same direction. Unless such steps are taken, there is no reason to expect any substantial benefit from self-financing. It seems to be no accident that the branches making the conversion to this system still have not increased their planning targets. And as a rule qualitative shifts in economic performance are impossible without that. Above-plan achievements objectively have a comparatively more narrow spread than those which are planned. The first experience which is already available seems to suggest going back to the question of widespread use of the tax mechanism for regulating enterprise income, especially since the draft of the USSR Law on the State Enterprise (Association) speaks about introducing differentiated scales of transfers to the budget and tax rates.(11)

It is an interesting fact that in the group of machinebuilding ministries which converted to self-financing in 1987 the percentage of transfers from profit to the budget are rather close over the period 1987-1990. For instance, for enterprises of Minpribor they are 33 percent, for Minkhimmash 43 percent, and for Minavtoprom 45.6 percent. This makes it possible in the

future to count on the structuring of uniform tax scales for a number of branches.

The purpose of establishing the charge on assets (in 1966) was to limit requests of enterprises to society for capital investments and working capital and to stimulate the better use of that capital. The transition to self-financing has the result that the enterprise cannot attain more than it has earned. This limits the expenditures indicated above so rigidly that other limitations upon them hardly alter anything. /Self-financing, which means that collectives live on "their own" means, is at the same time an incentive for the greatest return on the costs of production./ This casts some doubt on the need for the charge on assets, which, incidentally, does not exist in the sphere of consumer services to the public, in trade, nor in a number of other sectors. The charge on assets can be collected only on the value of projects built at public expense in the past and continuing to be used in the national economy. There are those who believe that it is also justified to charge it on new construction projects, since they are financed out of the state budget. But if new construction projects achieve standard profitability, their financing, as noted above, falls within the limits of a more effective credit mechanism, in which the place of the charge on assets is taken by the interest on the loans. But if new construction projects do not achieve the standard profitability, but are necessary on the basis of the higher interests of the national economy, so that they are financed from the budget, then during the entire period required to achieve permissible efficiency, the charge on assets paid on their value is either eliminated altogether, or is possible to a limited degree.

One of the arguments in support of the charge on assets is that it corresponds to the idea of payments for resources. As a matter of fact, payments for personnel training and land are necessary. But if productive capital is correctly assessed, if the benefit from its use passes over to producers as it should through the purchase price, then the charge on assets might as a rule be collected from consumers at the expense of their standard cost-accounting income; that is, this could undermine the course of individual expanded reproduction, which is in need of normal profit. The conclusion is that the charge on productive capital has already been met in the price, which reflects the benefit of the means of production acquired. The only thing remaining as a possible source of the charge on assets is the money accumulation paid to the state in the form of tax, that part of this amount set aside for the property tax, which, as already noted, has been done in the case of enterprises of Minkhimmash.(12)

The suggestion has also been expressed that self-financing at the largest enterprises is sufficient for effective use of productive capital, but at most others it should be supplemented by the charge on assets.(13) But self-financing is by definition oriented in the same direction at the large plant as in the small factory. In its advanced form it leads to the same consequences everywhere. When it spreads not just to individual enterprises, but to entire branches, large differences will be quite evident in income per worker, resulting from the objective features of the development of production which have taken place in the past, exist in the present, and are inevitable in the future.

The operation of the overwhelming majority of enterprises is characterized by fluctuations of profitability. These fluctuations are smaller at large enterprises and they are larger at medium-sized and especially small ones. But for a number of years they have canceled one another out, and the resultant profitability has turned out to be "in the neighborhood" of the average. Regulating profitability in such cases by means of special taxes presents no particular problems or difficulties. Serious problems are created by the existence of enterprises which persistently operate at a loss or low profitability and which for decades have not gotten out of the position of being dependent on the public. /It would be advisable to shut down enterprises which hopelessly operate at a loss or low profitability./ In principle it is better to do this in the stage of compiling the plan rather than inflicting losses both on the collective and society. Up to now such actions have almost never been undertaken unless we look at the cases of old people's artels and other forms of craft cooperatives. What we need now is to extend the procedure for closing down hopeless enterprises to economic units of the state form of ownership as well as to scientific research institutions which quite frequently have fallen into the position of being dependent upon society.

There are enterprises operating at a loss and at low profitability which society needs, even though they are temporarily "ailing." They need to be "cured"--by a renewal of management, by steps taken against reluctant suppliers, by issuing credits at high rates of interest, and so on. The measures whereby society exerts pressure for reduction of losses include subsidies, which diminish from year to year and are altogether eliminated over a period not to extend beyond the current 5-year planning period. If enterprises save a portion of the funds allocated--those amounts remain for incentives; if on the other hand an overexpenditure occurs, it must cover it at its own expense. Not only does the insufficient efficiency of operating enterprises have to be overcome, but there are also some newly activated construction projects which operate at a loss. This is inevitable as a /temporary/ phenomenon. But specifically as a temporary phenomenon, and it would be offset mainly with credit.

The few enterprises which have extremely high profitability, the "lion's" share of which is not earned by the collective, were mainly formed historically as a consequence of public decisions advantageous to them. Until such "external" forces are exhausted, there is a need here for active regulation of profitability. Proposals to this end include temporary introduction of fixed payments, which would be part of the single payment credited to the enterprise's ministry.

The profit remaining after payments have been made to society is used to form economic incentive funds. There are special standard rates for this purpose in every branch and sector. It turns out that among machinebuilding ministries the distribution of net profit into incentive funds reveals a tendency toward a certain similarity. For instance, enterprises of Minavtoprom credited 19.5 percent to material incentive funds over the period 1987-1990, 28 percent to funds for social welfare and cultural programs and housing construction, and 52.5 percent of net profit to the fund for

development of production and the fund for science and technology. The respective figures for enterprises of Minkhimmash were 15, 13, and 67 percent.

The transition to formation of the wage fund and the incentive fund by direct deductions from net output and complete self-financing require a new attitude toward /reserve funds/ of the basic economic entity. When there is an objective inequality in formation of revenues and expenditures, the reserves created in the period when the results exceeded the costs offset the case when costs exceed results. Reserves make it possible for collectives to boldly undertake small temporary departures from the rise of efficiency so that thereafter they can make large advances. It is a question of offsetting high outlays for original development of a new or improved product, introduction of new capital assets and processes, or of the two together (which in many cases are interrelated), of reimbursing the drop of profitability when the market is saturated with particularly fashionable goods and the prices of them drop, or of selling goods at reduced prices when they do not meet the demand with respect to assortment. The new principles governing the purposes for which the production development fund and the fund for science and technology may be spent respond to this; they provide for financing outlays for retooling, reconstruction, and expansion of production, for preparation of a new or modernized product and for putting it into production, and for compensation of its higher costs during the period of putting it into production. There is a future for formation in light industry and the trade sector of such unique special-purpose reserves as funds for sale markdowns.

The rule to the effect that incentive funds may be carried over to the next period, i.e., may for all practical purposes be set aside as a reserve should there be a shortage of them in the future, can also be regarded as a step toward the new procedure. In addition, that portion of resources which exceeds the normal ratio between the rise of the average wage and the rise of labor productivity is also credited to the reserves for remuneration of labor.

Transfers are made in small amounts to the financial reserves of enterprises, since this reduces incentive funds, and this is not always to the liking of collectives, who hope that at the critical moment they will receive help from the reserves of the ministry. The channels for this kind of redistribution need to be shut off entirely, collectives must count exclusively on their own work efforts. Then, incidentally, they will also display the necessary concern about reserves.

Under the conditions of self-financing there is an objective need not only for reserves, but also for a second "shock absorber" against the arrhythmia of revenues and expenditures. This is /credit/. When planned expenditures are financed by revenues that have been centrally distributed, then--if the plan is fulfilled--there is almost no need for credit. It is required only when the plan is not fulfilled or is overfulfilled. Artificial intrusions of credit into the allowance of working capital, the payment of credit secured by billing documents en route, and certain other operations which altogether allow for different solutions are an exception to this.

Under self-financing there inevitably is a surplus of resources in some periods and a shortage in others. So that the "surplus" does not lie idle,

but brings in revenues, it takes the form of a deposit to the enterprise's account with the credit institution. This deposit goes to help enterprises which have a shortage of resources, and they pay interest for it that exceeds the rate of interest on the deposit. A link is thereby established between the payment of interest on available resources and the source from which that interest is paid: the interest is collected from the client enterprises receiving loans. The point of departure in all of this is that interest rate policy must be flexible and must not be restrained by rigid letters of instructions and preconceived patterns. At the same time the situation has to be overcome in which the interest on loans has hardly any more than a token significance.

Serious attention should also be paid to the mechanism for repayment of loans, which in the past has hardly bothered anyone. It has been established, for example, that loans for creation of fixed capital are subject to repayment mainly out of profit. But if the latter is equal to the average level, if, moreover, the normal interest on credit is taken from it, then normal cost-accounting income lies in the remainder. Using it to repay loans is to undermine the financing of the costs for which that income was created. The natural source of repayment of long-term credits, one which does not violate the requirements of reproduction, is depreciation for full replacement. When there is above-standard profit, it can also be called upon, but this situation cannot be considered the norm; it is more the exception than the rule.

/Self-financing in the context of socialism is subordinate in nature to centralized solutions expressing the interests of society as a whole and meeting the requirements of the global rather than the local optimum./ When the state deems it necessary to develop a production operation which is disadvantageous to collectives, it may use the form of state orders, so that the force of the command is supplemented by the profitability of the contract. Responsibility for filling such orders retains the significance of the present responsibility for fulfillment of plans. Enterprises do not have a right to refuse to accept them and to evade the instructions from the center. But in order to observe the principle of full accountability of collectives for their actions, when the "center" issues the orders, at the same time it gives various benefits to the collectives that have received assignments which are not sufficiently advantageous (benefits with respect to depreciation, credit, supply, price, tax, customs duties, benefits in obtaining foreign exchange, in formation of wage and incentive funds, in the awarding of bonuses, and in the necessary cases subsidies are issued).

From the standpoint of the present economic conditions and even more those of the future, we cannot fail to point out that many superfluous restrictions are still in effect. When effective penalties are imposed for nonperformance of contracts, people will endeavor not to violate them. As a consequence there is no need for the indicator of the total volume of sales, which is now used for the purpose of comparison with unfulfilled obligations so as to find what share they have in the entire output planned and to determine the degree of punishment of the reluctant supplier. In light industry the indicator of delivery of goods in retail prices has now been made a reference indicator that is merely computed. When local authorities appraise fulfillment of the plan for the volume of production, the plan figures are taken at the level of

the actual volume. To be sure, the volume indicator is still computed in order to determine the level of fulfillment of contractual obligations and to determine the growth rates in the breakdown by sectors and regions.

Wage funds, which are determined by incremental rates, by the relationship between the increase in its average size and the rise of labor productivity, and by other standards, have been "regulated." When there is a motivation to optimize the end results, the existence of these standard rates becomes superfluous. In the future there will be no need to assign limits on supply, construction, and installation work, and contract services.

Development of the relations of self-financing requires /a restructuring of internal cost accounting/. To be specific, there seems to be a need to extend the list of categories of workers and employees with which contracts are concluded concerning full material accountability, to do everything to broaden the comparison of results measured in internal prices against the costs which the given subdivision has control over, to use the indicator of profit in internal cost accounting, and to form from profit a portion of incentive funds that would be decentralized within the association. There is a need for penalties for failure to meet internal targets that would offset the loss of the injured party and reimburse the portion allowed by law at the expense of the persons at fault. All these and other measures to strengthen internal cost accounting need to be performed in the light of the specific features of every enterprise, it being borne in mind that the internal mechanism comprises the area of the powers of the collective. The latter are expanding steadily, and this cannot but be taken into account. There should be particular mention of such an extremely important measure for improving the performance of enterprises and their subdivisions as electing managers. The speech of M.S. Gorbachev at the January (1987) Plenum of the CPSU Central Committee noted that "...we should single out the question of electing the managers of enterprises, production operations, shops, departments, sections, livestock-raising farms, and links, as well as brigade leaders and foremen. The present stage of restructuring, the transition to the new economic methods, cost accounting, self-financing, and self-support bring this problem onto the practical plane."(14) The first steps, as is well known, have already been taken in this direction.

The present forms and methods of relations between enterprises and the components of sectoral administration need to be reexamined. They are called upon to distribute state orders among collectives and for that purpose they take part in computations of sectoral plans as a whole, to conduct scientific research projects of the most revolutionary and risky type, to summarize and disseminate progressive know-how in work and management, and so on. Cost-accounting foreign trade firms and sectorwide scientific research institutes may be associated with the entities for management of the sector, and other entities of sectorwide importance may be created. An alternative to this is the transition to voluntary horizontal associations of all or some enterprises in the sector or even a number of sectors.

Self-financing of the basic entity requires that the superior economic authorities be /materially/ accountable for their mistakes and for incorrect actions. If sectorwide authorities manage the economy in economic terms, not

simply administratively, then in essence they have the role of "supercombines," which can and must operate on cost accounting. It is quite logical, then, for the new regional all-union construction ministries, for example, to be oriented toward the principles of cost accounting. But if the sectorwide authorities become purely state bodies, i.e., the "extended arms" of USSR Gosplan, USSR Minfin, and so on, then cost accounting is hardly the proper thing in such institutions. As for the material accountability of sectorwide authorities for their actions (one type of which would be for the absence of action), it is indispensable /regardless/ of their functional purpose. Special reserve funds, which might be created either by reducing payments to the budget (otherwise normal cost-accounting income is undermined) or directly from the state budget, are needed for this purpose.

There must be a /radical change in the system of economic competition/ if the indicators of self-financing are not to improve the monopoly position of producer enterprises and if economic life is not to allow anyone the possibility of being satisfied with what he has achieved, but rather is to drive him constantly forward. Competitiveness can be developed by purposive creation of several producer enterprises for meeting one and the same need, by overcoming the monopoly position of certain consumer enterprises, by collectives freely choosing partners in the stage of preplan calculations, by wholesale trade in the means of production, by putting out state orders on a competitive basis, by competitive selection of designs for new equipment, processes, and construction projects.

The antimonopolism of competition under socialism, as is well known, is manifested even in the absence of commercial secrets. In practice it signifies universal openness and accessibility of progressive know-how. Often it is passed on altogether without payment, even though it has been gained at the price of major outlays. In such cases /it is advisable that its subsequent copying be paid for/; in essence this means that the enterprises which are the followers are sharing in coverage of some of the costs of the pioneering enterprise. Otherwise innovators will be more penalized than rewarded. Experience shows that quite often even copying someone else's experience requires large and complicated preparatory work. In these cases special /applications organizations/ might prove to be worthwhile; on voluntary principles they would pass on technologies, forms of organization and of management of production, they would train personnel, and so on. But the main thing for competitiveness is to create a mechanism whereby every customer is motivated to obtain the best and relatively inexpensive product within the necessary period of time, and that is the orientation imposed by an advanced system of self-financing.

The effectiveness of self-financing increases when it is possible for partners to become involved in the distribution of income: suppliers, subcontractors, contractors, transportation people, personnel in fuel and energy components, supply people, trade organizations, scientific research institutes, design offices. Enterprises on full cost accounting are allowed to credit to their subcontractors and other enterprises a portion of economic incentive funds. When pricing is oriented more toward the parameters of a product important to the consumer, it is this method of distribution of the benefit that will become dominant.

Development of the relations of self-financing is most closely bound up with pricing practice, which, as is well known, is in need of improvement. The prices of a "cost" nature which now prevail do not correspond to what the consumer thinks about the commodity, but to the way it is seen by the producer, and moreover not the best producer, but the worst one. When costs per unit of usefulness rise, then the rise in the money appraisal embellishes the dynamic pattern of efficiency.

The "cost" approach also results in unjustified lowering of prices. This concerns those products whose production costs are less than the benefit. This is the case, for example, of petroleum, fresh water, and so on. Such prices encourage consumers to use these products wastefully, and they put the producers on the rations of a modest profit. When specific costs drop, the rise in the "cost-based" assessment lags behind the rise in the benefit to the consumer, and the real "physical" growth of output and national income prove to be greater than those in value terms.

In conclusion we would emphasize that socialist society does not consider self-financing to be the only form for the conduct of production. For a number of spheres and measures not only in the social welfare sphere, but also the economic sphere (revolutionary production innovations, the basic research which nourishes them, pioneering regional development, the initial exploration for minerals, etc.), the form of nonrepayable budget financing remains the best.

Formation of the relations of self-financing is in its very early stage. It is natural, then, that there should be many problems to be solved. The difficulties of the transition to self-financing must only stimulate a stepping up of the effort in this promising direction.

FOOTNOTES

1. "Materialy Plenuma Tsentralnogo Komiteta KPSS 27-28 yanvarya 1987 goda" [Materials of the Plenum of the CPSU Central Committee Held 27-28 January 1987], Moscow, 1987, p 17.
2. K. Marx and F. Engels, "Soch." [Works], 2d edition, Vol 46, Part I, p 229.
3. PRAVDA, 8 February 1987, p 2.
4. Ibid., p 1.
5. The fixing of the "base" has also come into contradiction with the tasks of the subsequent growth of the volume of production, which for a certain time does not yield the full return, but requires supplemental remuneration funds. That is why under the new conditions the provision has specifically been made for increasing these funds when large capital investments are being made. The measure of growth is rather subjective.
6. If enterprises make payments from profit into the budget, then wage funds are calculated from net output as a whole, not the output left to

collectives. If these payments are made according to a single tax scale and special-purpose benefits are applied (which we will be talking about below), wage funds become dependent upon profit and its distribution; it must prove to be advantageous to collectives to somewhat restrict the growth of current consumption, and as a consequence they will augment the profit remaining at their disposition which is not subject to the tax.

7. One cannot agree that collective responsibility for the drop in income is typical only of the cooperative form of ownership, while in the context of public ownership any drop in a worker's wages must be caused through his personal fault. This thesis does not correspond to the nature of collective and interconnected work in general, which is typical of enterprises in both the cooperative and the publicly owned sectors and of both small and large collectives.
8. PRAVDA, 8 February 1987, p 3.
9. "A Sector Makes the Conversion to Self-Financing," EKONOMICHESKAYA GAZETA, No 2, 1987, p 7.
10. Tax regulators determine payments of profit to the credit of society at production and trade enterprises in the cooperative ownership sector; in the case of operation of joint enterprises, they are used in adjusting income in the sphere of individual work activity. Taxes smooth out somewhat the fluctuations of most money revenues of all workers employed at socialist enterprises.
11. PRAVDA, 8 February 1987, p 3.
12. As a matter of fact, transfers to centralized funds and reserves of ministries are in principle made on the basis of that same state-tax portion of profit, although on the surface they appear to be contributions which enterprises make out of profit. It is indicative that beginning in 1987 funds are to be used from the reserves of superior organizations to award the winners of the All-Union Socialist Competition for growth of the funds for social welfare and cultural programs and housing construction.
13. G. Bazarova, "The Normative Method of Profit Distribution," EKONOMICHESKAYA GAZETA, No 28, 1986, p 6.
14. "Materialy Plenuma Tsentralnogo Komiteta KPSS 27-28 yanvarya 1987 goda," p 28.

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UKRAINIAN GOSPLAN OFFICIAL DISCUSSES QUALITY GUIDELINES

Kiev EKONOMIKA SOVETSKOY UKRAINY in Russian No 5, May 87 pp 3-12

[Article by O. Kasyan, department head for Gosplan UkSSR and Candidate of Technical Sciences: "Restructuring of Quality Control"]

[Text] The high goals for economic development, defined for the 12th Five-Year Plan, are based upon new sources for economic growth. Some of the more decisive of these sources include: basic acceleration in scientific-technical progress in the principal trends for science and engineering, the carrying out of large-scale modernization for all branches of the national economy and achieving improvements in the quality of products. During the 27th CPSU Congress, mention was made of the fact that it will be impossible to solve even one large-scale production or social task in the absence of radical improvements being realized in the status of affairs with regard to quality.

The quality of products must occupy key positions in the economics and organization of social production. During a meeting in the CPSU Central Committee, where a discussion took place on the practical tasks associated with implementing the decision adopted by the party and government concerning the introduction of state acceptance of products at enterprises of industrial ministries, M.S. Gorbachev emphasized the following: "In essence, we are discussing here a question of tremendous socio-economic importance, since the operational results of all branches of the economy are summarized in the quality of the products being produced."

Under the conditions imposed by the scientific-technical revolution, the question of output quality is a very vital and urgent one in practically all of the world's countries. The higher the technical level and quality of output, the greater are the material opportunities which a country has at its disposal for achieving further progress. Moreover, under the conditions imposed by a conversion over to the intensive path of development, constant improvements in the technical-economic characteristics for products and the embodiment in them of modern scientific-technical achievements is transformed into one of the chief sources for economic growth, for raising labor productivity, for realizing savings in the use of resources and for expanding export opportunities.

Of the many problems solved during the 12th Five-Year Plan in the country's national economy and in our republic, this is why the problem of raising the quality of products is being given priority attention in the practical work being carried out by the party, soviet and economic organs. The plans for the five-year plan call for the proportion of products of a high category of quality to be increased by a factor of 1.9 to 2.1 and for the reliability and service life of equipment to be raised by a factor of 1.5 to 2. In machine building, the task has been assigned of increasing the proportion of products of the principal nomenclature which must conform to the international level to 80-95 percent by 1990.

In order to bring about a change in the work of improving quality and in the competitive nature of domestic products, practical measures are being undertaken aimed at intensifying the effect on quality of economic levers and stimuli, expanding the cost accounting activities of enterprises and organizations and raising their responsibility for the technical level in the development of new equipment, improving the quality of serially produced equipment and developing the creative initiative and activity of leading collectives in solving the many and varied tasks concerned with radically improving quality.

The requirements for the certification of products are being improved radically: such certification must serve as an efficient economic lever for controlling quality. A high category of quality will be assigned only to those goods which in terms of their technical-economic indicators conform to the international level or surpass it. Thus, a system was introduced in January 1986, in accordance with which a deduction during the first year of 5 percent, during the second of 10 percent and during the third year of 15 percent, is applied to products of a production-technical nature for certification into the first category of quality. If a product is not applied to the highest category of quality during the second certification, it is removed from production. With the permission of USSR Gosplan and USSR Gossnab, its production can be retained for up to 2 years using a 30 percent deduction. The deductions from the wholesale prices are not taken into account in the plan and an evaluation of plan fulfillment is carried out taking them into account. Moreover, the deductions are employed only for the producers of the products and the funds obtained from them are subject to transfer into the budget. The products are sold at wholesale prices in the absence of deductions and, in addition, up to 70 percent of the total amount of the deductions must be reimbursed by means of the material incentive funds of enterprises.

All of this raises a need for radical changes in the modern technology for the development and mastering of new equipment. First of all, evaluations of the technical level of new equipment models based only upon comparing them against the best foreign analogs of serially produced products should be rejected. When such an approach is employed, many types of equipment, both serially produced and new types that have just been mastered in production, lag behind the international level. This applies to machine tools and forging and pressing machines, internal combustion engines, automatic control systems for mechanisms and to certain types of machines and equipment for the light and food industry, construction industry and agriculture.

The situation with regard to the quality of component parts and units --pumps, compressors, reducers and hydraulic equipment -- is especially unfavorable. According to evaluations by specialists, the proportion of machines and equipment which conform in terms of their technical level to the best foreign models, in the republic's machine building operations, does not exceed 20 percent. Meanwhile, in a majority of the machine building branches the proportion of products assigned a high category of quality, compared to the volume of products subject to certification, is 60-80 percent. It would seem that the assignment of the State Badge of Quality to a product must serve as an objective evaluation of its technical level and quality. However, an analysis of the age structure of products certified as being in the high quality category reveals that growth in the production volumes of high quality products is being achieved mainly through the modernization of products which were entered into production more than 10 years ago. Approximately 30 percent of such products bearing the State Badge of Quality are being produced on the republic's territory by enterprises of Mintyazhmash [Ministry of Heavy and Transport Machine Building], Minkhimmash [Ministry of Chemical and Petroleum Machine Building], Minselfkhovmash [Ministry of Agricultural Machine Building] and Minshivmash [Ministry of Machine Building for Animal Husbandry and Fodder Production] and at enterprises of Minchermet [Ministry of Ferrous Metallurgy] and Minkhimprom [Ministry of the Chemical Industry] this indicator is almost twice as high.

Numerous incidents have taken place in connection with the development of new types of products which in terms of their technical level and quality do not meet the requirements for the highest category of quality. To a large extent, this is the result of serious shortcomings in the work of branch scientific and planning-design organizations. During the past five-year plan, almost three fourths of the planned themes in the republic's machine building program were associated with the creation of new equipment and yet for one out of every three developments completed the innovative nature and technical level were not determined. This underscores the fact that the development of equipment at the level of the best foreign models is still not the chief goal of the work of branch planning-design and technological organizations and up until recently the developers did not bear direct responsibility for ensuring that the technical level and quality of new products conformed to the best foreign models. The fact that the proportion of works introduced in which inventions were used did not exceed 15-20 percent at enterprises of many machine building ministries underscores the absence of proper exactingness with regard to the originality of developments and the innovative nature of the solutions employed for evaluating the work of scientific-research and planning-design organizations.

The restructuring of the quality control mechanism must be aimed primarily at ensuring that new equipment is developed based upon a systematic analysis of domestic and international achievements in the various technical-economic indicators for products and also in the trends for raising them. This will make it possible to determine clearly those quality parameters which guarantee the international level for new equipment. The effectiveness of such an approach is borne out by international practice and by the experience of a number of domestic academic institutes and production and scientific-

production associations, such as the Institute for Electric Welding imeni Ye.O. Paton of the UkSSR Academy of Sciences, the Odessa Kislodromash NPO [Scientific Production Association] the Sumy Machine Building NPO imeni M.V. Frunze, the Novokramatorskiy Machine Building Plant PO [Production Association], the Kiev Machine Tool Association, the Ternopol Vatra PO and other enterprises and associations, where continuity is ensured throughout the entire process concerned with the creation of progressive competitive equipment and its series production is organized at the proper level.

The organization of all work concerned with raising the quality of products at the Odessa Kislodromash NPO, for example, is based upon long-term forecasts (5-10 years) for the developing the equipment to be produced and the association's production base. When preparing the scientific-technical forecasts and planning the scientific-technical studies and works, use is made of a patent search and the analysis and systematization of information on the operational results of similar products. On the basis of forecast studies, long-term contracts are concluded for socialist collaboration and economic contracts with academic branches of NII's [scientific research institutes] and VUZ's throughout the country for collaboration in the appropriate trends for developing science and engineering. For solving the current and long-term tasks associated with improving the equipment to be produced, use is made of long-term creative contacts, within the framework of educational-scientific production associations, with leading VUZ's of a city. Not one technical task for development is accepted for planning if the indicators for specific material intensiveness, labor intensiveness and also production costs exceed the basic indicators for the products or their analogs. When carrying out design work during all stages in planning, commencing with a technical task and continuing right up to the production of an experimental model, a technical-economic analysis is carried out on the basis of which an optimum increase in production efficiency and in output quality is achieved, with the true production potential being taken into account. For each newly planned and modernized product, a technical-economic committee is created with functions from the stage of examining the technical task for a product to its series production. In addition to ensuring a high technical level for the developments, the plans call for a reduction in such indicators as specific material intensiveness, labor intensiveness, the coefficient for metal usage and others. As a result, more than 80 percent of the products produced by the Kislodromash NPO and subject to certification are certified into the highest category for quality.

This experience must become the basis for restructuring all work concerned with achieving a radical increase in the quality of products at enterprises. The goal of this restructuring is to determine, in each branch, enterprise of scientific organization, the chief tasks the solving of which requires global scientific works. The introduction of these works must ensure a basic improvement in quality, raise the competitive nature of the products, renovate its assortment, reduce the labor intensiveness of production and lower production costs.

The methods for restructuring processing organizations and overcoming the negative phenomena associated with an unsatisfactory level for the development of new equipment and for achieving quality in series produced products have

been defined in the decree of the CPSU Central Committee and USSR Council of Ministers entitled "Measures for Radically Raising the Quality of Products" (1986). In essence, this decree defines a program for restructuring the existing system for state control over the quality of products, which is primarily based upon the fact that the level of quality is established during the stage of scientific studies and developments. Thus, for the very first time, the question concerning a prohibition against turning over to production works which do not conform to the international level has been established in a categorical manner. Clients are forbidden to coordinate a technical task for the development of products, the level of which is lower than that of international achievements. In turn, the developer of a final product is authorized to establish tasks which are mandatory for all developers of materials and component parts, in accordance with the technical level, service life and reliability of these products and materials. A developer must accept guaranty obligations in behalf of a producer of products, for both the quality of the technical documentation turned over for production and for the conformity of the product developed to the technical task.

Equally important with regard to raising the effectiveness of quality control is the fact that henceforth the developers of scientific-research, planning-design, planning-technological and other organizations, when creating or radically modernizing machines, equipment and technological processes, bear full responsibility for the long-term requirements for the technical level and quality (including for service life, reliability and others), which conform to the international achievements or surpass them, while the general or chief designers -- are held personally responsible for these indicators. At the same time, the responsibility of leaders of ministries, associations, enterprises and organizations for creating the conditions required for developing high quality products is raised. Special attention is given here to the introduction of progressive methods for developing new product models (automatic planning, simulation, artistic design and others), for developing laboratory-research and experimental-design bases and for carrying out comprehensive product testing on a mandatory basis.

For regulating relationships between clients, developers and the producers of products, a new system has been approved for the development and coordination of technical documentation for the creation and assignment to production of new (modernized) machine building products, which will simplify considerably the procedure employed for coordinating documentation during all stages in the development and mastering of products. Work is being carried out in connection with simplifying and achieving a rational reduction in the branch and inter-branch systems for general-technical and organizational-methodological standards.

In restructuring quality control over the development and mastering of progressive types of products, a special role will be played by the "Kachestvo" special purpose scientific-technical programs, the tasks of which must be oriented primarily at determining the long-term indicators for the technical level and quality of products, raising their reliability, creating conditions for the stable production of high quality products and raising the requirements for production organization, for its technical equipping and for metrological support. The ministries, departments, associations and

enterprises are tasked with developing programs for the 12th Five-Year Plan which will ensure their implementation. The formation of branch "Kachestvo" programs (Minlegprom [Ministry of Light Industry], Minmestprom [Ministry of Local Industry] and others) and regional programs (in seven of the republic's oblasts and at Kiev) is being completed throughout the republic at many machine building enterprises.

In 1986, the Central Committee of the Communist Party of the Ukraine approved the initiative displayed by the Kiev, Kharkov and Odessa machine-tool building associations, the production associations Novokramatorsk Machine Building Plant, Kharkov Turbine Plant, Kiev Bolshevik, the Sumy Elektron and a number of other machine building enterprises throughout the republic, all of which launched purposeful work aimed at creating machines and equipment of a high international level. The initiative displayed by the machine building enterprises in intensifying the production of competitive consumer goods was supported by leading collectives of the light and other branches of industry. The production of more than 1,000 new types of products was mastered throughout the republic during 1986; these products are being produced in the USSR for the very first time.

A basic improvement in quality control over products during the developmental stage should be viewed as a principal trend for solving the problems concerned with raising the quality of products. But the problems concerned with ensuring high quality products during the course of series production are of equal importance. Great harm is being inflicted upon the national economy by the production of low quality products, as a result of deviations from the requirements set forth in state, branch and republic standards, violations of technological discipline and a low level of metrological support for production. For example, checks carried out by the territorial organs of Gosstandart [State Committee for Standards of the USSR Council of Ministers] have shown that up to 40-50 percent of the measurement instruments in use at many of the republic's enterprises are unsuitable for use or the date for them to undergo state inspection is overdue and thus their readings may be unreliable.

Economic sanctions for the production of low quality products have already been employed for more than one year against almost one out of every two enterprises inspected by the organs of Gosstandart. Throughout the republic as a whole, the amount of these sanctions during the past five-year plan increased by threefold and amounted in 1986 to approximately 120 million rubles. Each year the losses caused by production waste alone reached almost 200 million rubles (not accounting those losses caused by a deterioration in the use properties of products, as a result of failure to observe the conditions for transport, storage or technical servicing). Moreover, up until recently nobody was truly responsible for these losses. Today the party and government have established stern requirements: each incident involving the production of low quality products must be investigated thoroughly and those responsible for their technical level must be dealt with in a strict manner and provide an answer to the question -- why is this level not in keeping with the modern requirements.

In the decree of the CPSU Central Committee and the USSR Council of Ministers entitled "Measures for Radically Raising the Quality of Products", it was stated quite clearly: personal responsibility for the production of low quality products is assigned to the organizers at all levels of production -- from the leader of an association, enterprise or organization to the foremen. In addition, the systematic production of products with deviations from the standards and technical conditions must be viewed as evidence of the professional unsuitability of a leader and his inability to handle the position assigned to him. The economic and legal measures for bringing influence to bear upon enterprises and those economic leaders and executive agents responsible for the quality of products have also been defined.

The total amount of sanctions being exacted from associations and enterprises for the production and delivery of low quality products is now being applied to that portion of the profits to be used for the formation of the economic incentive fund for associations, enterprises and organizations. In the event of repeated deliveries of low quality products, a consumer is authorized to cancel a contract with a supplier on a unilateral basis. Special importance is attached to the fact that a supplier must reimburse a consumer for losses arising as a result of the cancellation of a contract and the ministry to which the supplier is subordinate -- must ensure the delivery of the products in keeping with the schedule agreed upon with the consumer.

Specific measures are being undertaken in connection with restructuring the work of the technical control services at enterprises, strengthening the role they play in quality control and mandatory input control is being introduced for raw materials, other materials and component parts. The requirements for professional expertise on the part of direct executive agents have also been strengthened and their material responsibility for losses caused by waste has been increased.

An important sector for restructuring the state system of quality control -- the introduction on 1 January 1987 of state acceptance of products at 1,500 enterprises throughout the country (including at 299 enterprises in the UkSSR). This important and stern measures must first of all establish a reliable barrier in the path of waste and furnish assistance to the economic leaders in restructuring the work concerned with achieving a radical improvement in the quality of products in light of the modern requirements. The effectiveness of this measure lies in the fact that the organs of state acceptance, which are subordinate directly to Gosstandart, exercise non-departmental control, the objectivity of which cannot be influenced by the results of the production-economic activities of enterprises, regardless of their subordination.

The effectiveness of state acceptance is ensured first of all by the functioning of a far-flung network of territorial organs of Gosstandart, organs which make it operationally possible to influence the quality of the materials and component parts being supplied to enterprises, independently of departmental subordination and the territorial disposition of the suppliers; secondly, by the fact that the representatives of state acceptance possess broad rights for exerting administrative and material influence on the labor collectives of associations and enterprises under their control and this makes

it possible immediately, in the absence of coordination with higher organs, to implement decisions aimed at eliminating waste and preventing the production of low quality products; and, finally -- the adoption of extreme preventive measures for eliminating those factors which cause waste, as a result of an analysis by non-departmental controllers of all factors concerned with the appearance of defects or interruptions in the technological processes and also and also for questioning some of the more important leaders of interested ministries.

According to the statute, state acceptance is carried out in the following manner:

-- quality control and the acceptance of products during any production stage and a check on the products to ascertain the degree to which they conform to the standard requirements, the technical conditions, approved models (standards), planning-design and technological documentation and to the delivery and contractual conditions;

-- random inspection, dismantling and testing of individual units, assemblies and products as required (the control and nomenclature volumes for the products to be checked are determined by the state acceptance leader by agreement with the enterprise management);

-- final inspection of the finished and complete products in conformity with the established requirements.

In addition to exercising control over the work of enterprises in the interest of ensuring high quality in the products produced, the representatives of state acceptance constantly furnish them with the assistance required for overcoming existing difficulties and for uncovering and eliminating production bottlenecks.

State acceptance encompasses almost all output by the republic's motor vehicle industry, machines, instruments, various products of the electrical engineering industry, the products of heavy, chemical and agricultural machine building, many materials, other important types of products of a production-technical nature and consumer goods. During the initial months of work by representatives of state acceptance, a large number of serious shortcomings were uncovered in the work of enterprises concerned with raising the quality of products. Many of them were typical for a majority of the industrial enterprises and thus require fixed attention and rapid elimination.

For example, design and technological documentation at some enterprises still does not conform to the standard requirements or technical conditions and this is adversely affecting the quality of the products being produced. In December 1986, 40 percent of the design documentation at the Gorlovka Machine Building Plant imeni S.M. Kirov had still not been prepared; at the Makeyevka Plant for Mining Automation, an inspection of the design documentation for the purpose of ensuring its conformity to the standard requirements was carried out for only 17 products (of 32 being produced by the enterprise); of nine technological regulations at the Kiev Paint and Varnish Plant, only two were revised. As a result of the use of such documentation, products were produced

following deviations from the requirements and violations of the technological discipline. At the Lvov plant for artificial diamonds and diamond instruments, for example, following a check by the organs of state acceptance on the observance of technological discipline, it turned out that not one technological process had been carried out in conformity with the requirements set forth in the normative-technical documentation.

Many technological processes are not ensuring the production of goods of the proper quality as a result of the use of unsatisfactory equipment or low quality technological rigging. At the Voroshilovgradteplovoy Association, for example, approximately two thirds of the existing technical processes had not been corrected as of 1 January 1987. As established during the course of an inspection, their normal functioning requires the production of approximately 1,500 units of new equipment and the repair of more than 1,600 units of existing items of equipment.

Unfortunately, a considerable number of physically worn out and obsolete items of equipment are still being employed in production and this makes it extremely difficult and at times impossible to produce high quality products. At the Porshen Plant in Kharkov, for example, approximately 25 percent of the equipment is more than 20 years old, at the Dneprodzerzhinsk Azot PO [production association] almost 30 percent of the equipment has been in operation for approximately 30 years and at the Kharkov Fur Production Association almost 60 percent of the equipment has been in operation for 10 or more years.

Production operations are not being supplied adequately with the equipment needed for measuring, testing and controlling the quality of products. This constitutes one of the principal reasons for the unsatisfactory state of affairs with regard to input control over the quality of different materials, raw materials and component parts. As a result of inadequate support in the form of measuring equipment and the absence of testing equipment, input control is not being exercised to the degree desired at many enterprises and at times it is lacking entirely. For example, at the Severodonetsk Instrument Making Plant of the Impuls NPO, the absence of testing and measurement equipment produced a situation wherein, at the beginning of this current year, input control over integrated systems in terms of their dynamic and static characteristics was ensured by only 25 and 50 percent respectively. A shortage of the required items of testing and measurement equipment at the Cherkassy Machine Building Plant imeni Petrovskiy precluded the possibility of testing not more than 10 percent of the component parts and at the Cherkassy Azot Association -- input control was restricted to only 17 percent of the raw materials and other materials.

An equally important cause of poor organization of input control is the failure to staff the technical control services with specialists of the proper profile and the absence at many enterprises of highly skilled OTK [Department of Technical Control] workers. Moreover, it bears mentioning that a large number of enterprises are still only slowly and not completely carrying out the requirements of the directive organs with regard to strengthening the material interest and increasing the responsibility of workers attached to the technical control service, with regard to ensuring the production of high

quality products. For it is the plant service which must exercise control over quality in complete conformity with the technological process as one of its inalienable component parts. At the same time, many enterprises undertook to improve the OTK only following the introduction of state acceptance.

A serious shortcoming, and one which is adversely affecting the quality of the goods being produced and simultaneously hindering the normal functioning of state acceptance, is the non-rhythmic operations of enterprises, as a result of which 50-70 percent of the products being produced are being presented for non-departmental control during the third 10-day period of the month. At the Stakhanov Machine Building Plant of Mintyazhmash [Ministry of Heavy and Transport Machine Building], for example, during the first 10-day period in November 1986, the representatives of non-departmental control were presented with only 1.2 percent of the volume of products subject to state acceptance, during the second 10-day period -- 22 percent and during the third -- 60 percent. Moreover, all of the goods presented were returned for additional processing. During the first 10-day period in December, only 4 percent of the products were presented for state acceptance, of which amount less than one fourth was accepted upon initial presentation.

During the first 10-day period in December, the organs of state acceptance were generally not supplied with products produced at the Zhitomir Plant for Automatic Machines, the Melitopol Machine Tool Building Plant, the Voroshilovgradteplovoy PO and some others. For example, as a result of non-rhythmic operations in December of last year at the Lubny Plant for Accounting Machines, only 51 percent of the monthly volume of products was presented for non-departmental control.

Just as in the past, the work between enterprises and suppliers has not been properly organized. Materials and component parts are often being supplied on an untimely basis, or their quality or assortment leaves a great deal to be desired. It bears mentioning in this regard that in the republic, within the framework of territorial systems for controlling the quality of products, positive experience has been accumulated in ensuring quality shipments based upon the adoption of joint standards for allied enterprises. Other progressive forms for achieving collaboration among consumer-enterprises and suppliers have appeared during the past few years. For example, the Lvov Progress Footwear and the Rassvet Tannery associations developed the joint and all-round Footwear Program for the 12th Five-Year Plan, the principal goal of which is to satisfy the consumer demands for high quality and stylish footwear.

In discussing the regulation of relationships between producers and suppliers, mention must be made of the fact that shortcomings in logistical supply are on the whole adversely affecting the quality of the goods being produced. Many examples could be cited showing how the production of some component parts for products newly developed during the current year is being planned only for the next year or is being postponed for one reason or another. And this means that the newly developed product will be produced with deviations from the approved documentation and, it follows, will not be accepted by the organs of state acceptance. And this is entirely proper, since we can no longer tolerate a situation in which our enterprises, for one reason or another,

produce low quality and non-competitive products, which accumulate in warehouses or marketing and trade bases or which are the objects of complaints received from consumers.

The introduction of non-departmental control at enterprises is to a large degree promoting improvements in the quality of the materials, raw materials and component parts being supplied, as a result of the opportunities being made available to the representatives of state acceptance, through the territorial organs of Gosstandart, to exert influence on the suppliers and other allied organizations of the enterprise under examination. Thus the quality of television sets produced by the Foton PO was improved noticeably and within a brief period of time owing to the fact that a special regime for accepting the picture tubes was introduced into operations at the supplier-plant.

On the whole, the introduction of state acceptance cannot be viewed apart from the complex of measures being carried out at the present time aimed at improving planning and administration and converting associations, enterprises and branches over to complete cost accounting, measures which are raising the independence and responsibility of enterprises. The solutions for the problems concerned with suppliers will also be simplified considerably, under the conditions of economic independence for enterprises, since they will be able to select freely those suppliers who will carry out their contractual obligations and supply high quality materials and component parts on a timely basis and in the required assortment. Initial experience in the functioning of non-departmental control at enterprises has already underscored its efficiency and effectiveness. The high principles and uncompromising attitude displayed by the representatives of state acceptance have to a large degree promoted a situation wherein, during a brief period of operations under the new conditions at enterprises, the level of product acceptance upon initial presentation has increased considerably while the number of violations of the standards and technical conditions has declined. For example, at the Kharkov Turbine Plant imeni S.M. Kirov Association, 70 percent of the products presented for acceptance were returned for additional processing immediately following the introduction of non-departmental control and yet during the last quarter of 1966 the level for the amount of products returned fell to 10 percent.

The work of all subunits responsible for ensuring high quality products has been stimulated noticeably. For example, the problem of quality at the Kiev Tochelektropribor Association is today being handled in a manner such that not one part being received for assembly reflects any problems with respect to quality. Towards this end, all designers and technologists without exception are authorized to halt production operations at any time and in any sector when the requirements set forth in the technical documentation are not being observed.

A positive aspect is the fact that the state acceptance workers do not view themselves as impassive recorders of defective output, but rather they exercise their authority in an extremely discrete manner. Upon uncovering defects, together with the enterprise's workers they search for the cause and furnish assistance in eliminating it.

In analyzing the initial results of state acceptance, we sometimes wonder how such connivance could become so firmly rooted. There seems to be an abundance of leaders who are concerned with one thought: the plan at any cost. Technological violations and deviations from the standard requirements have become common happenings. The raised requirements with regard to quality have surprised some enterprise workers, even though the preparations for state acceptance began almost 6 months ago. There was a time when the principal concern was overlooked -- the psychological preparation of the personnel for work under the new conditions. Today everyone is aware that state acceptance is not a campaign and that the new criteria for quality and the stern demand for it represent requirements of the times.

The scale, innovative nature and complexity of the tasks to be solved, with regard to achieving radical improvements in the quality of products, are imposing high requirements upon each ministry, department, association and organization. The campaign to raise quality must become the norm for daily life among the labor collectives and the indicators for the technical level and quality of products -- decisive factors for evaluating their economic activity.

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CONFUSION STILL REIGNS IN PRODUCER GOODS WHOLESALE TRADE

Moscow MATERIALNO-TEKHNICHESKOYE SNABZHENIYE in Russian No 2, Feb 87 pp 14-18

[Article by V. Ilin, doctor of economic sciences: "An Equation With Many Knowns"]

[Text] The extensive introduction of effective forms of supply, and especially the development of wholesale trade in producer goods, is one of the primary directions in which the material-technical supply system is being improved. Importantly, even in the initial stage, consideration has been given to the mistakes and imperfections in its organization in the late 1960's, when the USSR Gosplan, the ministries and the departments practically ignored this work, when resolution of the issue of switching both individual consumers and individual types of output to new forms of supply was done by the territorial agencies themselves. All this failed to ensure stability in the supply system and denied consumers confidence that their orders would be filled.

1. Every progressive initiative, and especially those associated with radical changes in the economic mechanism, generally requires a great deal of preparatory work, foremost in breaking with economically old, set views on how to resolve particular tasks. Innovation is also frightening in that it is accompanied by a great many problems connected with tuning the mechanism, with creating the conditions necessary for effective work, with working out schema for interaction, and so on.

This is what is happening in the course of preparing for the gradual transition to distributing commodity-material resources at the wholesale-trade level. And, although the fraternal socialist countries have some experience in setting up analogous work, although Regulations on Wholesale Trade in Production-Technical Goods have been approved, although the USSR Gosplan has created a main administration for supplying consumers with material resources, the Soyuzglavsnab, the number of issues, misunderstandings and cloudy areas is constantly growing. Some have arisen for quite understandable reasons.

For a long time, the organization and planning of material-technical supply for consumers were constrained by the mass of both interbranch and branch

instructions, by strict limits on resources based on the calculated demand for them, and by a long, complex redistribution and exchange procedure. For that reason, the rejection of funded supply and the changeover to wholesale trade based on customer orders by USSR Gossnab agencies has confronted the leaders of supply and marketing organizations with many unknowns, primary among which is uncertainty about the process whereby the actual demand is to be linked to the basic directions of resources economy as adopted in the national economic plan. The more so, since this changeover to the new form of supply has itself not increased in a decisive way the material resources in the hands of the USSR Gossnab territorial agencies. At the same time, the very first stage in the preparations, determining the demand for resources in 1987, demonstrated that the demand for many types of materials, equipment and assembly components has increased many-fold. This is especially true of scarce resources.

In order to find a solution to this problem, it was decided to hold VIPK-based seminar-conferences with representatives of the union republic gossnabs, the territorial main administrations and the soyuzglavsnabsbyts [USSR Gossnab supply and marketing main administrations] responsible for the organization of wholesale trade.

The scientific-practical conferences have been of particular interest. The talks by the leaders of the union republic gossnabs, territorial agencies and soyuzglavsnabsbyts sounded a note of sincere concern about the progress of preparations for the changeover to wholesale trade in production-technical output. This concern first addressed the issue of what the development and introduction of methods documents on setting up supply in a wholesale-trade, that is, scientific, form depends on. In particular, it relates to the development of methods recommendations on studying the demand at consumer enterprises, associations and organizations, the methods of planning stocks of production-technical output at territorial agencies, the system of economic indicators, accounting and reporting which will be in effect under wholesale-trade conditions.

But still, how to provide consumers with material resources under wholesale-trade conditions when their declared demand obviously exceeds the abilities of the territorial agencies remained the primary issue in this study. In this connection, the definition of wholesale trade as an unfunded and unlimited form of material resources distribution was singled out for criticism.

Given the long-standing consumer psychology of hoarding, which incidentally stemmed from the actual state of material-technical supply (long intervals between deliveries, frequent failure to meet contractual obligations and the consequent necessity for back-up inventories), unfunded supply has been identified in the minds of many with the opportunity to supplement their own inventories without being monitored. In the opinion of workers in the field, the definition of what wholesale trade is obviously suffers from imprecision. It does not indicate a hypothetical limit on the demand for resources which would follow from actual production and economic activity. The following definition of wholesale trade has been proposed: "Wholesale trade in production-technical products is a form of material-technical supply in which consumers are provided with material resources without funds or limits, based on long-term agreements and orders, with consideration of the actual

requirements of the enterprises, associations and organizations and the basic directions of resources conservation adopted in the national economic plan." Incidentally, this statement of the essence of wholesale trade puts a unique base under the right of territorial agencies to verify the substantiation of orders submitted and, if instances of product demand overstatement are established, to reject that portion which exceeds the actual demand.

2. One serious problem which will arise in the course of switching directly to wholesale-trade conditions, that of "pumping" a portion of customer commodity-material goods inventories, through the territorial supply agencies, directly into the production process or into USSR Gosnab organization warehouses in the form of an insurance reserve for transit shipments. It is important by virtue of the fact that, as of 1 January 1986, reserves of commodity-material goods in the national economy were 463.3 billion rubles, with the actual amount increasing by 141.3 billion rubles during the 11th Five-Year Plan alone, outstripping the production growth rate more than two-fold.

The wholesale-trade regulations anticipate the right of a territorial supply agency to set an optimum (normative) size of consumer production stocks based on an agreed-to products mix (Article 4 of the model agreement) when concluding an agreement. However, this right is stated in what seems to be a very mild and wishful tone, which does not provide territorial agency workers with a clear confidence in using it in practice. The more so, since the use of this circumstance is associated not only with the necessity of calculating the amount of resources being transferred, but also with such problems as the transfer of financial and labor resources and with leasing warehouse space.

In order to transfer the insurance portion of an inventory, the delivery of resources of the necessary quantity and quality on schedule must be fully guaranteed. Transfer of a portion of the current inventory, however, makes increasing the frequency of deliveries of commodity-material goods mandatory. It should be borne in mind that experience is already available, in the form of guaranteed comprehensive supply, in transferring a portion of territorial supply agency production reserves to customers, but the results have as yet been unsatisfactory. The reasons for the inadequate effectiveness of territorial agency activity in withdrawing a portion of customer commodity-material stocks under guaranteed comprehensive supply must obviously be carefully analyzed so that this experience can be taken into account when developing wholesale trade.

The opinion of a majority of the conference-seminar participants was that the transition to the new form of support and its continuing advancement is linked to perfecting the material-technical base of supply organizations. Wholesale trade will unquestionably necessitate additional stocks of commodity-material resources at the enterprises for deliveries within the state supply system, at least initially. And that will necessitate expanding, renovating and even building new warehouses and re-equipping them. The requisite flexibility in supplying resources and the quality of their processing and packaging will require the creation of regional sorting and packaging centers, as well as interrayon back-up centers for each soyuzglavsnabsyt. However, the financial support for the territorial agencies in terms of capital investment is clearly

inadequate at the present time. The government decree anticipates that the USSR Gosplan will have the right to direct a portion of the profit from supply activity (0.1 percent of warehouse trade turnover) into financing the construction and outfitting of wholesale trade enterprises, but the calculations show that the level of these financial resources will not meet the demand for capital investment.

Providing the territorial agencies with the computer equipment necessary for day-to-day inventory management and for collecting information and calculating demand is an equally important area of technical renovation of the material base.

In view of the fact that the bulk of the consumers in the initial stage will be so-called "small" consumers for which freight deliveries will be in small lots and following schedules not planned in advance, the development of in-house small-tonnage transport will require particular attention. However, this problem is being solved slowly. The issue of releasing palletizing devices for small clients, including ones handling up to 10 kg, is also closely connected with this situation. However, the main types of output for maintenance-operating needs (paints, for example) have, until recently, been received in bulk. This not only makes it harder to deliver it on schedule, but also entails packaging losses.

When examining the economic mechanism of wholesale trade, it should be noted that it still has many poorly-studied areas. Reporting is not yet fully developed, even though this issue is vitally important for the order record-keeping system (by product type or ministry, department or organization, in physical or monetary terms, by number of orders, by order-filling schedule). Suggestions have also been made that delivery record-keeping be merged with this order form. The procedure whereby transit deliveries are not included in the calculations is also disquieting.

The exact same economic indicators will apparently be in effect in the initial stage of wholesale trade introduction as are being used for funded supply. However, it will subsequently be necessary to create an economic mechanism which will restrict demand to actual necessity.

As was already stated, the increased frequency of product delivery to consumers is an important issue which will arise in wholesale trade. This will enable customers to reduce current (warehoused) stocks of commodity-material goods. However, the existing labor-expenditure norms clearly conflict with the necessity of increasing delivery frequency, so it is economically disadvantageous for supply enterprises to shorten delivery intervals.

Another important problem raised in the discussion of the main areas of wholesale trade development is that of providing economic incentives. As we know, under wholesale-trade supply conditions, the surcharge to the warehouse mark-up is 0.2 percent of the wholesale price. It is hard to say with complete certainty at this point the extent to which it interests enterprises economically in terms of deliveries. Time will tell. It is clear, however, that this surcharge will not stimulate the effective filling of urgent orders

or orders for output enterprises do not have on hand for delivery. Circulation outlays would increase sharply, and the current mark-ups would not cover them in some instances.

The existing branch administrations of the Gosstab central apparatus and the soyuzglavsnabsbyts are presently insulated, to all intents and purposes, from territorial agency direction in the primary areas of their work: organizing material-technical supply, improving distribution, eliminating shortages when supplying enterprises and construction projects, the management of aggregate inventories, and so on. As wholesale trade is developed, the Soyuzglavsnabstorg [not further identified] will be unable to solve the problems of providing territorial agencies with resources of all types of output and effectively directing the organization of efforts to implement them. As wholesale trade develops, the problem of providing resources (including by the direct-labor method) should therefore be entrusted to appropriate subdivisions of the USSR Gosstab, and the Soyuzglavsnabstorg should be a nomenklatura agency of the ministries and departments.

3. Creation of the necessary inventories at the warehouses and storage facilities of the territorial agencies and maintaining them at the necessary level is an important condition for wholesale trade development. The commodity departments are taking all the steps dependent on them to maintain enterprise inventories for delivery in the needed assortments. However, the assortment of metal products does not meet the demand, in a number of instances. The reasons are, first, the fact that the soyuzglavsnabsbyts do not issue job authorizations for output to the specifications of the territorial administrations and, second, incomplete job authorizations are issued for Soyuzglavmetall [Main Administration for Interrepublic Deliveries of Metal Products] output to territorial administration specifications in connection with the fact that they include carryover metals distribution center stocks, some of which do not conform to enterprise and organization requirements in terms of assortment. This situation will slow down wholesale trade substantially and undermine its authority. It has been suggested it might be appropriate to change the way in which enterprise delivery resources are involved as affects their mandatory replenishment (after 1 January of each year).

In discussing preparations for organizing wholesale trade, much attention was paid to the fact that the statewide material-technical supply system is currently an interbranch material resources management, planning and distribution agency, in terms of the functions it performs, and also monitors their efficient use. However, the provisions of the law concerning it poorly regulate the wholesale trade mechanism, property responsibility and the procedure for reimbursement of damage to customers resulting from nonperformance of contracts and orders.

Important tasks which must be resolved by the Soyuzglavsnabstorg include the development of a clarified plan for organizing the provision of material resources through wholesale trade and a generalization of the experience available in the union republics and the territorial administrations. Guidelines must be developed on order intervals and procedures, on concluding agreements, on the technology for drawing up documents, and also on practical

procedures for working with consumers at all stages of the wholesale trade circulation process.

Reliability and security are important wholesale-trade conditions. They will depend largely on the promptness and correctness of monetary calculations between the suppliers and consumers of production-technical output. We know that credit debt has been growing in recent years and that the normative based on a normally functioning circulation process has long since been exceeded.

Moreover, the financial condition of many industrial enterprises depends directly on their size and growth rate. This situation is a consequence of slower calculation, the absence of factors to stimulate faster calculation, and the insufficient property responsibility of violators of payment discipline. Therefore, one of the suggestions made at the conference-seminars deemed it necessary to develop the forms of monetary calculations under wholesale-trade conditions. Guaranteed supply requires guaranteed forms of monetary calculations.

The credit mechanism must become one of the primary factors slowing the accumulation of inventories of commodity-material goods. At present, the now-automatic mechanism of making loans based on turnover has been transformed in many instances into a basic cause of the accumulation of above-normative customer stocks. Under turnover-based crediting, the USSR Gosbank almost always pays the suppliers' accounts with bank loans, disregarding the financial condition of the customer, the scheduled receipt of commodity-material goods, and how necessary they are to the enterprise. It is true that the USSR Gosbank is now taking steps to tighten its requirements for issuing credit resources. One result has been a sharp reduction in loan size. In 1986 alone, upwards of 25 billion rubles was cut from ministry and department loan applications. In the first half of 1986, credit investments in industry rose 4.5 percent, but industrial production growth was 5.6 percent.

However, the issue of increasing the effectiveness of credit agency monitoring of the status of reserves in the national economy and of setting up a reliable barrier to mismanagement and extravagance is becoming increasingly urgent. Much also will depend on a clear statement of the methods of self-financing in industry and other branches of the national economy. More consumer enterprises must (in cases when circulating capital turnover is reduced and above-normative stocks constantly accumulate) be switched to crediting based on simple loan accounts. One other important factor should also be noted. Heretofore, there has been no scientifically substantiated method for verifying and analyzing the composition and reasons for the generation of above-normative and unused stocks of commodity-material goods. The USSR Gosbank and USSR Gosplan must be in close contact on monitoring the status of inventories. Fulfillment of the task set by the party and the government will depend largely on such cooperation.

The flow of optimal paths of disseminating wholesale trade to enterprises and organizations of the USSR Gosagroprom [State Agro-Industrial Committee] is an important issue. The current system of supplying production-technical output to this very important branch of the national economy is obviously unsatisfactory, due foremost to its many layers and to the inadequate quality

analytical work when calculating the demand, both in USSR Gosagroprom enterprises and organizations and in USSR Gosnab organizations. In this connection, a Soyuzglavmash [Main Administration for Interrepublic Deliveries of Machinery] suggestion that USSR Gosagroprom production branches be switched over to being supplied with process equipment and spare parts for it through the territorial agencies deserves attention.

In 1988 and 1989, the RSFSR oblast and kray agroproms [agro-industrial committees] will be submitting applications for process equipment for the food branches of industry and spare parts for it to the territorial agencies of the USSR Gosnab which will, in turn, submit those to the Soyuzglavmash.

The Soyuzglavmash will allocate stocks to the territorial agencies, which will fill job authorizations for equipment and spare parts either at their own warehouses or directly with the customers, depending on the size and specifics of the deliveries.

In 1988 and 1989, when the application method goes into effect, there will essentially be a preparatory period in which a data bank will be put together for the territorial agencies by the USSR Gosnab GVTs [main computer center]. It will include the following: the demand, as stated on the application, the amount of equipment established in the nomenklatura, production plans for the basic types of output by region, and other data, which will be used to switch to equipment distribution without applications, using the wholesale trade method, beginning in 1990.

The changeover to supplying USSR Agroprom enterprises through territorial USSR Gosnab agencies will not relieve the USSR Agroprom of all concern for providing enterprises with process equipment, since all the problems arising locally will be resolved through its agencies. Only the central apparatus will be relieved of those functions, as it must focus its primary attention (together with the USSR Minlegpishchemash [Ministry of Light and Food Industry and Household Appliances]) on the replacement of obsolete equipment and the development and introduction of new.

The statements by a majority of the conference participants sounded a note of confidence that the initial experience in distributing resources through wholesale trade would prove to be positive. Certain difficulties will arise when the number of ministries and departments switched over to supplying material resources through wholesale trade increases and includes the large machine-building ministries and the economic regions.

But in any case, it is important to understand that the switch to wholesale trade is not one in a series of "campaigns," but holds the promise of being a real statewide supply system. The result of the consistent development of wholesale trade will therefore depend on how clearly and objectively the experience in switching to wholesale trade is analyzed, on how efficiently changes in and supplements to the mechanism of its operation are made, and on how clear and mutually dependent the connection between the mechanism for organizing supply through wholesale trade and the financial-credit mechanism turns out to be.

The USSR Gosplan has decided, in this connection and based on the results for the first half-year of operation under wholesale-trade conditions, to generalize and analyze in depth the results of territorial agency activity under the new conditions and to take effective steps to perfect the mechanism of its operation.

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ROUNDTABLE DISCUSSES PRIVATE PLOT REGULATION, DEVELOPMENT

Moscow SELSKAYA NOV in Russian No 5, May 87 pp 10-15

[Report on a joint roundtable of the journal SELSKAYA NOV, the Scientific Council of for Economic, Social and Legal Problems of the APK (Agro-Industrial Complex) of the USSR Academy of Sciences and the Agricultural Section of the Moscow House of Scientists: "New Trends and Old Delusions"]

[Text] Questions associated with the functioning of private subsidiary farming [PSF] have been widely illuminated in the pages of SELSKAYA NOV over the course of decades. Our steady readers probably remember the roundtable of 1984 "What Do We Expect of PSF?" The discussion then concerned the socio-psychological atmosphere surrounding PSF, the right of specialization and the sale of excess commodity at the discretion of the people themselves who grew the vegetables and fruits, fed the cattle and poultry and had excess dairy products.

The journal at that time received a multitude of replies and the approval of the overwhelming majority of readers. We were also supported on the chief positions by official organs affiliated with agriculture, planning, material and technical supply and the legal regulation of subsidiary cultivation.

Have any changes occurred in the state of private subsidiary farming, in the conditions of its functioning, that were discussed at that interesting and competent roundtable discussion? Yes, there are changes. We will cite the most substantive of them.

The decree of the CPSU Central Committee and the USSR Council of Ministers of 20 March 86 "Further Improving the Mechanism of Economic Operation in the Agro-Industrial Complex of the Country" clearly fixed for the first time that private subsidiary farming is a component of socialist agriculture. It is called upon, based on the assistance of the kolkhozes and sovkhoses, to satisfy more fully the needs of rural residents for meats, dairy products, eggs, potatoes, fruits and other food products, and to sell the excess through cooperative trade and at kolkhoz markets.

The government decree "Steps to Strengthen the Struggle against Non-Labor Income" (May of 1986) ordered the councils of ministers of the republics to "...consider the question of removing certain limitations on the quantity and

types of productive livestock and private subsidiary plots of citizens and where necessary to elaborate the norms for the maintenance of livestock with a regard for local conditions." The further development of this proposal can have important economic consequences.

Finally, there is one more bit of news. It concerns the production of fruits and other produce in protected soil. USSR Gosstroy [State Committee for Construction Affairs] has repealed the construction norms and rules that stipulated a maximum norm for private subsidiary greenhouses--20 square meters. True, it cannot be said that there is no regulation of greenhouses whatsoever: the norm was approved by the governments of the majority of the union republics and has yet to be repealed. The problem thus remains. But the foundation has been laid for its sensible and well-founded resolution.

As we see, substantive changes have occurred "at the top" in relation to PSF. Matters have not yet come to real positive shifts in many places, however.

The mail of SELSKAYA NOV and its supplement "Subsidiary Farming" connected with various aspects doing PSF comprises thousands of letters. They contain much evidence of the fact that administrative pressure on PSF that is not economically justified is continuing. These or those norms for the planting of agricultural crops are established arbitrarily. The production of early vegetables in protected soil is limited; it happens that axes, shovels and bulldozers are even employed. There are many complaints that livestock in private use are not allotted pastures, hayfields or feeds.

Questions of the organization of the sale of the produce of private subsidiary farming are also treated arbitrarily in the localities. The very trip to the market is sometimes considered criminal. It is even not taken into account that the cooperatives, kolkhozes and sovkhoses are not prepared to procure, store and sell all the excess produce of PSF to the full extent in the necessary time periods. Some are even frightened by the combination of the words "commodity output of private subsidiary farming," and the point of view is widespread that everything produced on private plots should only go for household consumption.

The necessity for a return to discussion of all of these difficult-to-resolve issues of life at a new level with the inclusion of the former and of new participants in the discussion has become urgent. Scientists, farm managers, employees of consumer cooperatives and market administration and journalists met at the roundtable.

The session was opened by Ye.B. Khlebutin, deputy chief of the Department for the Incorporation and Propagation of the Achievements of Science and Progressive Experience of USSR Gosagroprom [State Agro-Industrial Complex], chairman of the agricultural section of the Moscow House of Scientists and doctor of economic sciences. The discussion was directed by SELSKAYA NOV Editor-in-Chief and Candidate of Economic Sciences A.F. Kalinkin and L.V. Nikiforov, deputy chairman of the Scientific Council for Economic, Social and Legal Problems of the APK and a sector chief of the Economics Institute [IE] of the USSR Academy of Sciences.

The questions for discussion, living illustrations of the phenomena under discussion, were taken from the letters of journal readers, who thus came to be virtual participants in the roundtable.

SELSKAYA NOV: Social production and private subsidiary farming have common goals: providing foodstuffs, raising the welfare of the population and augmenting the national wealth of the country. The contribution of PSF to the food supply is well known to those present. I will briefly recall just two indicators: from 85 to 95 percent of meat, dairy products, potatoes, vegetables and fruits consumed by our population is produced in PSF by the population itself. The share of PSF commodity output comprises 11 percent of the overall volume of commodity output of agriculture. There are grounds to assume that this contribution can increase if the whole climate around private subsidiary farming facilitates the development rather than the limitation of its economic activity.

It is impossible to speak of the universal affirmation in life of a "favorable regime" in relation to private subsidiary farming while there still occurs that which is described by I.N. Gytlan, I.A. Palanchuk, V.A. Kristal and others (thirteen signatures in all), residents of the town of Kosoutsa in Sorokskiy Rayon of the Moldavian SSR: "...Our region is very sunny, and since time immemorial the rural residents have cultivated tomatoes, cucumbers, peppers, cabbage, potatoes--in general, everything needed for the household--on fertile subsidiary land.

"But this is not suitable year after year. People therefore started to make light frames or awnings from poles with plastic film coverings. This creates better conditions for growing and ripening the crops. In 1985, however, the rayon authorities began to warn us that we had to stop growing vegetables under the film altogether. More than once they collected, "invited" and even took people from work to the ROVD [rayon internal affairs department] or the rayon soviet under police escort. Big talk about profits became the fashionable accusation on the lips of the authorities.

"Maybe it seems to someone that the fish are jumping into the boat. But we know what all of this costs, what work it is. And the income (which is not non-labor income) goes for good causes, and not for vodka or the idle passing of time--for the building of houses, furnishing them well and improving everyday living conditions in the town and the household.

"For many years, no one had bothered our work, but rather the opposite. But all of a sudden they set up police posts on the Dnestr so as not to allow the shipment of vegetables grown on subsidiary plots. People began to propose to the rayon and local authorities and the cooperatives that these products be procured from the population and sold through state or cooperative trade. But the attempt turned into genuine torture for the deliverers and shame for the organizers. It turned out that there was no packaging and no transport--so many tons of vegetables perished! Who answered for this? No one.

Then summer came to a close. Everything passed. People began to work like ants in the winter to get ready for the new season. And on 17 Mar 86... a bus pulled into town that had the inscription 'excursion' on the side window.

People in police uniform came out of the bus with others dressed like road crews, in helmets, went into the yard of one of us, Palanchuk, took crowbars, axes, sledgehammers and other heavy tools and smashed everything in the garden, destroyed it like barbarians (photo enclosed)...

"Having finished with the coverings and early vegetables in Palanchuk's garden, the 'work excursion' headed off for other citizens with police escort...

"And what prevents the leaders of the party and soviet organs of our rayon from coming out of their offices to the people without crowbars and axes, with suggestions on how better to organize this work, how to use the labor and leisure of people correctly, how to force the cooperatives to fulfill their obligations?..."

L.V. Nikiforov: This letter from Moldavia forces us once more to think about the attitude toward private subsidiary farming that has taken shape in many regions of the country.

Recent party resolutions have called upon us to reject many stereotypes that have taken shape both in science and in economic practice. One of these stereotypes is the attitude toward PSF as something alien to socialism. It is briefly defined with the word "private trader," which has not been disseminated, by the way, without the assistance of some of our scientists, practical workers and press.

In recent years, a number of decrees have been adopted on the development of private subsidiary farming, and much has been and is being done in this area. But we cannot say that the attitude toward PSF on the part of local soviet organs and operational economic managers has changed radically. It seems to me that the point is that we have turned out to be unprepared for the acceptance of some new phenomena in the development of PSF.

Conditions have been directed, as we know, basically toward the development of animal husbandry and its integration with public farming. And then there occurred the unexpected--a splash of production... of plant produce. Even the simplest improvements--such as the employment of fertilizers, better-grade seeds and, finally, the films--created favorable opportunities for this. In many regions of the country, the production of vegetables and fruits in subsidiary farming reached such a level that the needs of the families doing this farming were greatly exceeded. A situation arose where PSF turned out to be able to go to market on a relatively large scale. The first reaction was to ban it, to establish norms for the planting of tomatoes, cucumbers, strawberries and the like. And where this was not adhered to, they were destroyed.

Practice has shown, however, that it was impossible to proceed along the path of prohibition: we were able to achieve nothing other than a reduction in the most essential of produce.

If we deem that private subsidiary farming is not a variety of individual labor activity, that it does not relate to the "private sector," but is rather

an indispensable component of socialist agriculture, then this means we must develop a new attitude toward it. And not simply develop it, but persistently bring it to life and incorporate it into the consciousness of economic and other workers on which the fate of PSF depends.

Pressure on PSF and a failure to accept it is often explained by two factors: the first is the high level of income of the people conducting farming intensively and selling their produce at the market; the second is the fact that this high level of income in PSF diverts people from work in the public economy and reduces their interest in working in social production. Do these problems really exist? Undoubtedly, otherwise there would not be attempts to administer it. Yes, the problems exist. But how can they be resolved?

SELSKAYA NOV: Here is what S.P. Kireyev from the village of Maklakovo in Lomonosovskiy Rayon of Leningrad Oblast (currently retired, he worked as a sovkhos director and then in the apparatus of the RSFSR and USSR ministries of agriculture) wrote to the editors:

"...The most widespread delusion is that private farming, diverting manpower for itself, supposedly reduces the labor resources of social production. Time and strength are of course needed for working the plots. And the more primitive the implements of labor, the more is needed. But rural residents, as a rule, have just the rudiments. Not all of them are able (when this concern is let slide by the kolkhoz or sovkhos) to get a horse for a couple of hours for a small amount for the team leader or stableman. They even go by and visit, have dinner and drink a little with them! Another dreams of finding seeds--any kind. And so forth. This kills the nerves and time, not the rows of strawberries. The person goes into the fields tired, distracted and works at half strength there.

"I will share my own experience as a manager facing this problem. In my time as the director of the Novaya Zhizn in Kingiseppskiy Rayon of Leningrad Oblast we took all of this 'element' of services and interconnections under our wing. I went around to people with the secretary of the party committee and agreed in advance to deal with the sovkhos for all resources--draft animals, seeds, fertilizer, transport--for the gardens.

"This didn't all happen at once. Mutual mistrust interfered--this was all quite unaccustomed--but it was worth it not to deceive the people, as became the system in subsequent years. We came to include the working of the plots in the labor plan. We set them up with small equipment (and it was no error: it turned out that it was fully used in the hands of the sovkhos).

"This cooperation was especially needed in the fall, when an acute problem faces the rural resident--to sell the excess PSF produce and deliver it to the city for market. The sovkhos also took on this concern and began to deliver the produce to the bazaars for free and on time. The expense was small compared with the fact that on many farms... urban workers and bosses were digging up potatoes. We rejected outside manpower and managed with our own, because the harvest of the sovkhos fields became the personal concern of each worker...

"And so, private farming does not harm public farming, and if it distracts people for several days a year, it 'binds' the working hands to the land for many years.

"All kinds of abuses and quirks are inevitable in any large undertaking, especially in grain production. It is not for nothing that they say 'There would be grain, but the mice are in charge.' This does not mean that one should stop sowing grain..."

Unfortunately, far from all managers of farms reason this way. Some see in PSF almost the chief hindrance to social production.

Residents of the village of Ivanovskaya in Krasnoarmeyskiy Rayon in Krasnodar Kray wrote to the editors in April of 1986:

"We live in a village, everyone works, some at the kolkhoz, others in other places, but at the given moment all of us are speculators and money-grubbers: our local radio station broadcast that there are 870 households of money-grubbers. It has already been a month since the new chairman began to wage an irreconcilable battle against us. The point is that many of us grow early cabbage on our subsidiary plots. Each of us plants no less than ten types of vegetable crops, but preference is given to cabbage. Our parents grew it twenty years ago, and so we know how to grow it. But it turns out that we cannot do this. Why not? It is incomprehensible.

The chairman evidently also reads your journal, and therefore has not yet begun to plow the gardens under. He has done something different. Knowing the charter of the kolkhoz and the authority of his meeting, he literally dragged in the question of limiting the planting of early vegetables among many other questions. We now have the right to plant early vegetables only for ourselves. And woe to him that disobeys--it was not the chairman who so ordered, but the general meeting. Now every morning and evening we hear on the radio that if we plant a little more, we will be deprived of our plots. Half of the households have been deprived of their plots. They make the terms: pull up the cabbage, plow under the radishes and we will give over the land. Retired people, invalids or war veterans are no exceptions. The greatest crime is to plant something under plastic film--why? Maybe solar power is limited? Please help us understand!"

Correspondents from SELSKAYA NOV visited the village and met with residents and the managers of the rural soviet and the kolkhoz. The facts were confirmed. We were given an "Excerpt from the Minutes of the General Meeting of Authorized Kolkhoz Workers..." in which were these lines: "Permit on private subsidiary plots of kolkhoz workers and citizens using the land of the kolkhoz, fruits and melons of no less than 150 kg [kilograms] per family member in an assortment of 70 kg of fruits and 110 kg of potatoes. Establish a maximum norm for the distribution of land for early vegetables of no more than 0.03 hectares, including 0.004 hectares for cabbage, 0.008 for tomatoes, 0.005 for cucumbers, 0.003 for onions, 0.003 for carrots, 0.002 for table beets and 0.005 for other vegetables (of which 0.01 under film), 0.005 for flowers and no more than 0.02 for early potatoes..."

We invited to the roundtable A.V. Larkin, the chairman of the Kolkhoz imeni Lenin from the village of Ivanovskaya and a firm proponent of strict administration in relation to PSF, who feels that the kolkhoz worker must "take the plan" of production to the private garden.

A.V. Larkin: I worked four years as director of the Poltavskiy Sovkhoz. I was sent to the Kolkhoz imeni Lenin under transfer procedure as a large but poor farm.

It must be said that the kolkhoz has in practice not fulfilled the plan for vegetables, fruits or grains over the course of many years. A specific and strict policy was therefore adopted in relation to the labor participation of every member of the kolkhoz in farming matters. In 1986 all of the plans were fulfilled and overfulfilled.

What happened? There was a strengthening of labor discipline.

What "disease" do we have? Early cabbage. The Donbass is 400 km [kilometers] from us, and the first cabbage goes there. What has happened? Have people begun to find any old kind of work? Fireman, pumping-station operator, or something else. It turns out that the conscientious kolkhoz worker, making his labor contribution to public farming on the kolkhoz, obtains from 2,500 to 4,000 rubles a year, while the person who works at the pumping station gets much more... for his vegetables.

We have an irrigation system, and 50-60 operators work at the station. How do they work there? Open up the water, the system, and the water flows, by itself, no need to watch it, you can sleep or relax, but stay there. They work a full day with two days off. They contrive to substitute for each other and use this time to sell vegetables from their garden.

The fact that we regulated it was a cry from the heart, because the kolkhoz was going to end up who knows where. But I agree that this very real force must be directed into the proper channels. What do we intend to do in this area? We are now studying the family contract. And next year we will grant up to 30 hundredths of land per family within the limits of our garden team. We will bring in water for watering and give them film. This is what can be monitored. But we will nonetheless conclude an agreement with the populace for them to cultivate, and we will ship to market.

I think, of course, that we will regulate production. But we will also encourage it. And we are encouraging it today--don't think we are only persecuting it. We gave a ton of grain to the kolkhoz workers this year and sold them three thousand piglets. Today we have a hundred tons of milk from the private sector...

It would be possible to have even more milk, but voluntaristic decisions were made at one time, as is well known. All cattle were collectivized and driven to the farms, and the number of cattle in public farming was increased. Then practically half of them perished and went to the meat combines because there were no accommodations or personnel... The peasants wept when they had to surrender the cattle. Today it is a big job to maintain a cow. Our Kuban

villages are plowed all around, there is no where to go. We set up rice systems, but leaving no pasture... We use the intervals of the rice system, out there are few of those, of course.

Question from the floor: How much livestock is there in private use?

A.V. Larkin: 275 head. (For 4,500 households and 9,500 people living in the village--Ed.) All because the policy in this area was incorrect at one time. The desire was removed. Powerfully removed... Today it is simpler to grow and sell cabbage, you get a lot more money. It is thus understandable that people are oriented...

Reply from the hall: You speak so well and so truthfully that the desire for subsidiary animal husbandry was dispelled at one time--our economy is still feeling this. Isn't there an analogy here with the campaign that you conducted last year against subsidiary vegetable growing, forcing people to dig up early cabbage, causing damage and anger and destroying the results of difficult work? Doesn't this dispel the desire for gardening?

A.V. Larkin: We are not dispelling the desire. I feel that we need to give a clear direction to private subsidiary farming. It is stated directly in the decree on improving the economic mechanism of operation of the APK that the produce grown in PSF should in general be included in the farm plan. That I understand. Therefore, of course, we should procure this produce, and we will procure it. But I do not think that our country needs only cabbage. Other products are also needed...

L.A. Shepotko, department chief of the Economics Institute of the USSR Academy of Sciences and doctor of economic sciences: PSF advances a serious problem before operational managers and, naturally, before us, scientists--this is the increase in marketability and a deepening of the social division of labor in private subsidiary farming. From our point of view, this process is quite consistent and objective and permits the fuller satisfaction of the needs of the population for various types of food products.

Naturally, this trend--an increase in marketability--entails some difficult moments--such as an increase in rent incomes. Rent income and even competitive market income are not the same thing as non-labor income. But one way or another these consequences of the increase in marketability must be reacted to in some manner. The question is how to react. I am convinced that it is with planning and economic regulation measures. This has nothing in common with administration.

We have in the Ukraine, say in Ternopol and Zaporozhye oblasti, rayons where people are specializing in subsidiary farming for the production of early tomatoes, using the very favorable natural conditions. At one kolkhoz there was this instance (so far just an instance, but it "signals" definite miscalculation). This farm specializes in the production of sugar beets. Earnings and beet production are much lower than income from the sale of early tomatoes grown in the subsidiary plots. And in order not to be distracted from this profitable occupation, the kolkhoz workers began to hire people from

a neighboring farm (where the conditions for vegetable growing were not suitable), and they worked on the beet harvest for them.

These distortions must be corrected, but not with prohibitions on the cultivation of income crops. The kolkhoz I was talking about is located in a bend of the Dnepr, the terrain is shielded from cold winds, and early tomatoes do very well there. Taking this into account, it was worth it to change the specialization of the kolkhoz. There could be other solutions as well. My point of view, I repeat, is that it is essential to make broader use of the arsenal of various measures of planning and economic regulation, integration with social production and the procurement of the produce by consumer cooperatives and its sale on the kolkhoz market, through trade-procurement enterprises.

Yu.A. Pivovarov, retiree, resident of the town of Zelenoye in the Nizhnegorsk Rayon of Crimea Oblast, before his recent retirement worked at a sovkhos as a heating-facilities operator: The chairman of the Kolkhoz imeni Lenin from the village of Ivanovskaya is against the specialization of private subsidiary farming. His position is not at all unusual, but is rather widespread. So let's look into it: is the specialization of PSF something fundamentally new? Dangerous? Diverting more strength and time than multi-sector farming?

It has been noted that as soon as one starts interfering in the affairs of PSF with directives, what to cultivate and how to sell it, the plots of land are very quickly turned into weed-covered wasteland. And after this interference, there is no way to convince the rural residents, especially the young ones, to take up subsidiary farming. This is one of the psychological attributes of the peasant. That is why they are so reluctant, notwithstanding the trouble, to raise cows in the yards now: they are afraid to breed poultry.

Some call specialization an epidemic, a diversion: "Look, they are distracted by the early tomatoes..." It is no epidemic, economic "law" is at work here: if it is profitable to grow tomatoes, then grow them. If cabbage is profitable--then let it be cabbage, if strawberries, then strawberries. To smash specialization, they put up impediments to it using various contrived "specious excuses" is to drag the rural worker into the morass of unrelieved non-productive labor.

There is another argument in favor of PSF specialization. No procurement organizations will come by the households for miserly and diverse excess: a couple of bunches of radishes, a bucket of cherries, a basket of cucumbers, a sack of potatoes... Naturally they will deal with those families that are specialized in the cultivation of one or two crops, conduct matters intelligently, use promising grades and know how to obtain abundant harvests. Proponents of an administrative approach to PSF justify their prohibitionist policies with the fact that, they say, by growing cabbage they are "printing money" while they purchase what they need for themselves. But so what--this is typical of specialization: grow what grows well, that you know how to cultivate, what is profitable, and buy at the market or in the store what you need. The purpose of the market is to serve as a place for the exchange of goods. Moreover, in my many years of observation, the rural resident in any case will grow a little of everything he needs for his own table.

Local leadership--not everywhere, of course, but quite often--has no vested interest in PSF proceeding successfully. They have come up with nicknames for those selling what has been produced by the family on the market: "cabbage kings," "knights of profit" and the like. Intimidated and confused people, especially those who are a little more shy, fall silent and decide not to bring their produce to market. Last summer in the Crimea I saw overloaded cherry trees that had not been harvested, and walnuts that had collected on the ground and had not been gathered...

N.K. Kadyrov, docent of the Ustinovka Agricultural Institute and candidate of economic sciences (being acquainted with the issues brought forth in the discussion, he sent us the text of his presentation): One of the substantive reasons for negative attitudes toward PSF on the part of managers of farms and at the rayon level, in my opinion, is the fact that the kolkhozes and sovkhoses have a vested interest in increasing the production of only that portion of their produce that they buy. And after all, the major portion of PSF produce goes for personal consumption. The principal body of PSF commodity output is sold directly to the state, consumer cooperatives and the market. The kolkhozes and sovkhoses buy up only a small portion of it. Thus, in the Udmurt ASSR, according to data I have on hand from 1984, 16 percent of the milk output was sold to the state, 39 percent to the consumer cooperative, 6 on the market and only 39 percent to the kolkhozes and sovkhoses. The situation with meat purchases was the same. As for potatoes, the population did not sell any at all to the farms under contract.

PSF is also advantageous for the state when, say, retired people supply only themselves and their relatives in the city with meat, potatoes, vegetables and other produce from their own farms. But the kolkhozes and sovkhoses have no vested interest in the output of this produce. Some farm managers therefore not only do not assist such PSF, but even hinder it and restrain its development. Sometimes this takes on primitive forms--plowing up planted plots, destroying standing crops and similar "methods."

It is obvious that it is essential to eliminate the reasons for such an attitude toward PSF and to create conditions under which managers of farms and at the rayon level would have a vested interest in the development of PSF and increasing the production of produce and animal husbandry at them. This, in my opinion, can be achieved if all PSF produce according to specific norms is accounted for as being produced on the kolkhoz or the sovkhos and is counted in their plan fulfillment. That way not only will the kolkhoz or sovkhos worker with a subsidiary plot be working on plan fulfillment, but so will every retiree and office worker. The interests of PSF, the kolkhozes, sovkhoses and the state will coincide. Under these conditions, farm managers will be solidly behind PSF without any coercion.

SELSKAYA NOV: We must think about this idea before it has acquired the nature of a recommendation. Various questions and doubts arise. After all, it should be clear to competent leadership that even without giving anything to the plan, private subsidiary farming is advantageous because it feeds the workers and their dependents, that is, facilitates the reproduction of manpower for the public farm itself. And if the excess is sold to the

cooperative or on the market, other necessary items are purchased with the receipts and the family budget is reinforced, which once again keeps the worker in the town.

As for the plan--as is well known, the cooperatives have their own PSF procurement plans, the town soviets have their own, the rayon has its own... How is it for private subsidiary farming, when no one wants to give their products for disposal under the right of private ownership? And why to the plan? Is this compulsory?

The experience of economically powerful farms confirms that no particular intervention in the affairs of private subsidiary farming is needed. The kolkhoz or sovkhos and PSF can develop excellently in parallel fashion, displaying mutual participation and respect.

S.I. Yankyalyunas, chairman of the Kolkhoz imeni Salomen Neris of the Ukmergskiy Rayon of the Lithuanian SSR: What can I say on that score as the chairman of a kolkhoz that has worked for 25 years? The development of private subsidiary farming helps us eliminate the seasonality of manpower, levels the difference in wages of workers in agriculture and other sectors of the national economy and aids in the resolution of issues of supplying our own rural residents with valuable produce. This is already enough to consider private subsidiary farming advantageous for social production.

There are 480 households on the Kolkhoz imeni Salomen Neris, of which 430 are the families of kolkhoz workers. More than 95 families maintain productive animals, poultry, rabbits or bees. All of them without exception have subsidiary plots of land and grow potatoes, vegetables and fruits. The kolkhoz allocates land to all of them along with pasture and hayfields and lends material, technical, organizational and moral support so that every kolkhoz worker and resident of our town has the opportunity of having the farm he wants. Naturally, without violating the charter of the kolkhoz or the laws of the state.

We apportion agricultural equipment and transport, seeds for crops, annual and perennial grasses, polyethylene film, mineral fertilizers and chemicals for all kolkhoz workers and other families that live on the territory of the kolkhoz for working the subsidiary plots and mowing the hayfields and pastures. For those that want them, we grow the crops and part of the potatoes in crop-rotation fields, and in the fall it remains for them to get the ripe produce and take it home.

We allocate pasture for private livestock not far from the household. We try not to leave the livestock without concentrates and bedding. We satisfy the majority of the desires of the kolkhoz workers for young poultry, piglets and calves. We help the families conducting subsidiary farming with materials for the repair of farm structures. There are 110 draft horses on the farm, and there is an adequate quantity of vehicles and implements...

In general, all the ways that the kolkhoz assists PSF cannot be enumerated. But the return from it is also large. In 1985 the residents of our villages not only completely supplied the needs of their own families for milk, but

even sold over 10,000 quintals of milk to the state, and some 500 head of cattle were purchased from them along with about 400 pigs, sheep and goats, or 2,000 quintals of meat in live weight.

According to our estimates, every kolkhoz household received 1,200-1,500 rubles of additional income from PSF, and the kolkhoz paid 10 rubles for a workday on the public farm. We do not feel that this is too much.

I think that PSF must be stimulated using economic methods. It is probably also necessary to specialize. The Estonians say that if you keep cows, then make it three or four. But on the other hand, do not keep pigs or sheep and do not conduct other farming. If you keep three cows, then it is profitable to make use of milking apparatus and other devices. And this is reasonable. It is evident that corrections are needed in the norms for keeping livestock.

L.A. Shepotko: Before coming to the roundtable, I spoke with my colleagues from the Ukrainian Gosagroprom. They also asked me to raise for discussion the question of norms for keeping livestock in PSF. In the Ukraine, only a third of the rural families keep cows. In a number of oblasts, in connection with the decline in the headcount of cows and the procurement of milk from the population, its per-capita consumption has declined. But there are also regions (Polesye, the mountain regions of the Carpathians) where conditions permit the keeping of more cows. So why limit those who want to and can maintain not one but two cows? The same goes for pigs--limitations are not needed, the more so as the majority of commodity output of subsidiary animal husbandry goes to the state through the kolkhoz, sovkhos or the consumer cooperative.

Ya.P. Poriyestis, chief of the political economy department at the Latvian State University, doctor of economic sciences and honored figure of science of the Latvian SSR: Private subsidiary farming in the republic in the last five-year plan generated almost four fifths of all berries and fruits procured, half of the potatoes, more than a third of vegetables and about one quarter of the prepared meat and milk. Such significant support on the part of PSF has become possible because we have not employed such wild methods of administrative influence on PSF that I am hearing about today. But there are plenty of unresolved problems. They include theoretical ones.

One of these is associated with the word "private trader." I will admit that I do not understand the people that use it. Industrial relations are determined by the level of productive forces that has been achieved. Is our level of productive forces such today that we can really manage without PSF? It does not permit it. Why does PSF exist? To ensure the best reproduction of our socialist manpower. The word "private trader" used in regard to a person that farms land belonging to the state is thus absurd.

I have heard the opinion that income obtained from PSF can be considered non-labor income. There are no precise estimates, but I am sure that, figuratively speaking, 99.9 percent of this income--either in-kind or monetary--is not non-labor income. I even propose that those comrades that are so willing to be engaged in administrative limitations on PSF themselves try private subsidiary farming for one year and try to grow, say, carrots at a

price of, let's say, forty kopecks a kilogram. I tried one summer at my relatives'--God forbid! Say you grow ten kilograms and get only 4 rubles. What is that 4 rubles compared to the work put in? In order to earn 400 rubles, I would have to grow a ton of carrots! That's some "non-labor income"! And I not only worked, but I had expenses as well: fertilizer, transport, equipment.

We can only talk of non-labor income when we are dealing with middlemen and speculators.

And what is the income from PSF like overall? There are many false interpretations on this score as well. Our department polled 656 rural residents of Latvia. It turns out that an average of 405 rubles a year per family member was obtained from animal husbandry in PSF, 175 rubles for cultivation and 298 from craft occupations. An average family income of 1,601 to 2,500 rubles was obtained by only 13 percent, and more than 2,500 rubles by 8 percent of those polled. On the other hand, 45 percent of the rural residents obtained an average of less than 500 rubles a year per family from PSF.

As became clear, expenses for the maintenance and conducting of PSF are growing almost in proportion to incomes.

T.Ye. Kuznetsova, lead scientific staff member of the Economics Institute of the USSR Academy of Sciences and candidate of economic sciences: Much is being said and written about the fact that the family doing relatively specialized PSF and selling their produce output on the kolkhoz market receives income that exceeds a "socially normal level."

More than 24 percent of gross agricultural produce is produced by PSF; if one takes into account that the kolkhozes produce 26 percent of it, and sovkhoses 37.2 percent, the scale and significance of PSF becomes clear. It is also well known that human labor expended on the production of gross agricultural output at the kolkhozes is 23.4 billion rubles on kolkhozes and 22.1 billion on sovkhoses. Labor expended on the production of PSF output is not considered, since it is felt that everything received from PSF is income of the family doing it.

But why? PSF is the same production of agricultural output as any other and, consequently, it has everything without which the production process is impossible--material expenditures and labor expenditures. Material expenditures in PSF are relatively simple to evaluate, and furthermore the assistance given them by public production can be revealed in them. According to our calculations, for the country overall PSF is 85 percent reproduced through intrinsic resource capabilities and 15 percent through the resources of public farming. It is more complex to evaluate the labor in PSF, since it is unclear how to evaluate labor expended aside from work time, on days off and holidays or vacations, how to evaluate this labor if it is manual and heavy, is done by all members of the family and the like. But agricultural output is obtained as a result of this labor, and if society does not pay the worker directly for this production, like labor in social production, this does not mean that the labor in PSF has no value.

If one considers the kolkhoz level socially normal for PSF and tries to evaluate the labor expended in it according to kolkhoz payments, since it is on a larger scale than the sovkhos and corresponds to the nature of work in PSF, the wage fund for the output produced in PSF would comprise over 17 billion rubles. And this signifies that the average annual employee of private subsidiary farming (according to our calculations, some 8 million average annual workers are employed in PSF), if he were to receive wages for his labor, should receive over 2,000 rubles for the output produced, that is, as much as the average family receives in selling, for example, early vegetables. By the way, it is not just one family member, as a rule, that is engaged in PSF work. And the income does not come to one worker.

It is asked what income that exceeds socially normal levels is being discussed in this case? It furthermore should be taken into account that there are not that many families selling produce on the market, and the marketability of PSF is insignificant: for all commodity output the share of PSF, as was mentioned here, comprises 11 percent, including 13 percent for crops and 10 percent for animal husbandry.

This issue should probably be investigated seriously before accusing those doing PSF of receiving high incomes.

L.V. Nikiforov: It is a fundamental issue. Its objective study and illumination will put much in its place. Do we always take the specific features of life in rural areas into account? The needs of the rural population? Their expenditures? After all, to maintain one's own home is not the same thing as a state apartment; to maintain livestock is not the same thing as a cat in a city apartment. They are completely different things. Completely different amounts of resources and funds are needed here. Or, by way of example, the teaching of children in the city is not the same thing for the urban (when children study, they live at home) and village families.

In recent years, the income of the rural population has grown and is an average of 85 percent of the level of the urban population per capita. The situation is improving. But if one compares the income with the expenditures, it turns out that this convergence is clearly inadequate. In order really to equate the standard of living in the city and the village, it is necessary that income in the village be higher than in the city. PSF plays a very large role in resolving this task. Various proposals are forthcoming today on how to regulate the income of private subsidiary farming. One of them is to increase taxes on the land. But after all, not all of them are trading and not all are receiving income. This means that some of the population will reject private subsidiary farming. This already happened when the tax was imposed on apple trees. We have already "experienced" this! And we know what happened.

It has been proposed to introduce a tax on output. But on what output? How to account for it? One must proceed very carefully with a tax. This is a very serious and double-edged thing. It can inflict such a blow on PSF that nothing would remain of it.

Could it be that no new taxes are needed? Perhaps incomes could be regulated via price reductions in the market? And to develop kolkhoz and cooperative trade there (seeing that good opportunities exist for this today) and facilitate an expansion of market trade for the products of PSF itself?

T.Ye. Kuznetsova: I fear that the calculations of income and expenditures I cited can serve as grounds for some adherent to think that "as soon as they reach a little over 2,000 rubles a year, the tax should be imposed on them." And it could turn out that there are no real wages, and the tax in reality comes to be collected. I would therefore like to say a few words on taxes. Families doing PSF pay an agricultural tax, taking into account the size of the plot and the natural and economic conditions of the terrain in which the PSF is done. (Look at the legislation for details.) The minimum tax rate per hundred of land area is 8 times less than the maximum. That is, it is differentiated. In this manner, families doing PSF pay an agricultural tax in which the possibility of their obtaining additional income for the best conditions of economic operation is taken into account.

Inquiry of SELSKAYA NOV: By the way, the book "Income from the Population," issued by the Finansy and Statistika Publishing House in 1986, states that "...specific tax rates for the town or rayon have been established with a regard for the typical productivity and markets for the sale of agricultural produce of that terrain that determine and affect the size of the income of citizens."

L.V. Nikiforov: In short, the question is: either try to limit PSF income artificially and in that manner not permit the labor in it to be paid higher than in public farming, or to create opportunities for increasing income from kolkhoz and sovkhoz work on the basis of economic accountability and collective contract. I think that this way will be more effective than reducing PSF income, which will inevitably turn into a reduction in the output of products essential to us.

V.A. Baum, chairman of the Kolkhoz imeni 22nd Party Congress in Iyevskiy Rayon of Grodny Oblast and Hero of Socialist Labor: I would not be going against my conscience if I said that in the 32 years of my work on the kolkhoz there was a single complaint that we do not allocate pastureland to rural residents or do not help work the gardens. We sow the potatoes simultaneously on the kolkhoz fields and in the private gardens. We have done economic calculations to establish the payments: for the working of a subsidiary plot--an average of 12 rubles, and a ruble per ton of manure (and we give out organic--by the hundredth of a ton). They also pay--7 rubles 50 kopecks. Right into the cash register without excess paperwork or red tape.

Why does the kolkhoz need this? The truth of this, I see, is still not comprehensible to all. But see for yourself: 560 kolkhoz families have 700 cows. There are those with two or three. But they have nine people in the family. Seven children, father and mother. Two or three cows for them is not wealth. Kolkhoz families sold 570 tons of milk to the state through the kolkhoz. Where did it go? To the city--to our working class and intelligentsia.

The private subsidiary plots have already sold (by November--Ed.) 146 tons of meat. And moreover, not a single kolkhoz worker goes to the city for meat. It is all their own, peasant, tasty. They sold 1,150 tons of potatoes. Do you understand? They sell potatoes from the private plots to us, in the kolkhoz. We store the potatoes on the kolkhoz, while in the city they would rot. We take them to market and will sell the best-quality potatoes for 25-30 kopecks per kilogram, not for a ruble. We calculate it, of course, so that they are not unprofitable, take the transport expenditures into account, after all we ship them a thousand kilometers. But it is no more expensive, we estimated. And the prices "crash" at once at the market. The same with apples. They ship apples to Moscow from abroad, what money they spend, foreign currency! And look, apples are spoiling in Belorussia... There is no organization. The government has now allowed us to trade on the market--we will have farm stores without fail.

It sounds wild to me when they say that private subsidiary farming hinders social production. People provide for themselves and sell to the state. We should tip our hats and say thank you here. We never tire of repeating at the kolkhoz meetings: "We do not divide it up: this is for the kolkhoz, and that is yours. All is ours!" And the work thus proceeds amicably. We do not have migration from the kolkhoz, on the contrary, they come to us, including from Moscow and Vilnius. They set up subsidiary production. In October to April we give them work at home. We send those who wish to institutes--not only agricultural, but for the most varied of specialties. We built 240 apartments, we are developing cooperative construction and we are erecting homestead-type houses with all of the amenities. There is a Palace of Culture, all kinds of attractions for the children, dentist's office. We are planning a laundry and a sports-and-fitness complex...

People have much, like in the city. But on the other hand, they work from the heart. We do not call in city people to help. We have not had a single boss or student work here for 15 years. We manage everything ourselves. The kolkhoz workers have a day off during the mowing.

The profitability of our farm is 56 percent. We sold 2.6 times more meat to the state in the 11th Five-Year Plan than in the preceding one, the milk yield per cow was an average of 3,456 kilograms, the daily weight gain of livestock was 739 grams, the cost of a quintal of pork was 135 rubles, beef was 144 rubles and milk was 19.8 rubles. There is thus no way you can criticize our kolkhoz workers for poor work in social production. And the private farming is developing without hindrance.

Question from the floor for Baum: Do your kolkhoz workers go to market?

V.A. Baum: Yes, they go. They sell. And we give them vehicles, we give them at state prices. But on the other hand, our kolkhoz worker does not want to leave the town and find happiness elsewhere.

I am convinced that we should assist private farming, not set them opposite kolkhoz production, not divide them into "them" and "us." If the kolkhoz worker feels that private subsidiary farming is not "ours," he will will also come to consider the kolkhoz farming as not his own.

G.V. Chubukov, senior scientific staff member of the Institute of State and Law of the USSR Academy of Sciences and doctor of economic sciences: Many of those who have given presentations at the roundtable have in one way or another touched on the legal issues of the functioning of PSF. I would like to continue that discussion.

The law, as Marx wrote, cannot be higher than the economy and the social development of society. It is therefore essential to take into account the general economic laws of development and to improve legislation in accordance with them.

We have legislation on private subsidiary farming and, in my opinion, it is not bad, but we are applying and administering it poorly.

Earlier the production of commodity output in PSF was not encouraged here. It was felt that the subsidiary plot should only generate output for the needs of the family. Now a more correct course of the combination of these two forms has been taken.

Moreover there are no limitations in the legislation regarding what products can be produced in PSF (only the cultivation of poisonous and narcotic plants is forbidden). That is, the family itself decides what to grow--tomatoes, melons or cattle feed... There are, I repeat, no legislative restrictions on this. And here come the local "legislators," or more precisely people taking the law into their own hands, who say: how can this be--occupied completely with cucumbers or cabbage? We will not permit it! And they begin to "regulate" through the kolkhoz meeting and more often, through personal directives. This is in no way suitable. However good the intentions the manager uses to explain his actions, he is violating the law and inflicting harm on our economy. As a result of his unlawful activities, we do not receive produce that there is already not enough of without him.

I agree with the roundtable participants that said that prohibitive methods are not suitable. The trend, however strange, is nonetheless namely that, at every turn in the road there appears an attempt to ban something!

It is written very precisely and clearly in party documents that private subsidiary farming is a component of socialist agricultural production. Its development must consequently be facilitated to the utmost.

SELSKAYA NOV: A general law is discernible herein: the passions around private subsidiary farming and its specialization and marketability inflame people and take the most abnormal forms most often in those places where matters are neglected in social production. At economically powerful farms working under competent and authoritative managers, as a rule, the attitude toward subsidiary farming is one of the proper understanding, they see in it a source of additional produce and a pledge of the commitment of the person to his native town.

In those places where they are waging a struggle against subsidiary farming, bringing all kinds of ruin and failure upon it instead of seeking efficient

and economically justified solutions and instead of creating normal conditions for the participation of people in social production, there is a decline in the level of production and an exodus of workers from the town instead of the desired increase in labor activeness, growth in labor productivity and increases in product output.

The main conviction we take from today's discussion consists of the fact that the measures aimed at regulating the activity of private subsidiary farming should be first and foremost of an economic nature. They should be based on the objective requirements of society and the family.

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ACADEMICIAN TIKHONOV'S VIEWS ON APK DRAW RESPONSE

Deputy Finance Minister

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 6, Jun 87 pp 78-82

[Article by V. Semenov, deputy USSR finance minister, doctor of economic sciences: "Problems of Cost Accounting [khozraschet] in the Branches of the APK"; for referenced article by Academician Tikhonov, see JPRS REPORT: SOVIET UNION: ECONOMIC AFFAIRS, JPRS UEA-87-004, 12 Jun 87 p 43; first paragraph is PLANOVOYE KHOZYAYSTVO introduction]

[Text] The editors continue discussion of the article by V. Tikhonov, member of VASKhNIL, entitled "Basic Outline of Radical Restructuring of the Economic Mechanism of the APK," published in this journal (No 4, 1987).

The 27th CPSU Congress defined the party's economic strategy to be raising the efficiency of social production. Achievement of that goal is advancing to the foreground fundamentally new principles concerning the activity of socialist enterprises--true cost accounting, self-support [samookupayemost], and self-financing. Entire sectors--industry, agriculture, transportation, transportation and trade--are being converted in the current 5-year planning period to this fundamentally new form of organization of production. To that end the rights of enterprises and organizations are being broadened in planning and in the product's production and sale, a transition is being made from distribution of materials and equipment to their sale, and collectives are being made more accountable for the end results. All of this is based on standard rates in relations with the budget and on the principles of self-financing and true cost accounting.

Conversion of enterprises and organizations to the fundamentally new conditions for the conduct of economic activity is a logical culmination of the economic reform begun in the mid-sixties. Beginning in 1967 sovkhoses began to make the conversion to full cost accounting, and beginning in 1966 guaranteed remuneration of kolkhoz members on the basis of sovkhos rate schedules and unit prices was introduced on kolkhozes.

The principle of reimbursement from internal resources of outlays for reproduction and creation of profit necessary to form economic incentive funds, reserve funds, construction of production facilities, and acquisition

of equipment was made the basis of the economic activity of sovkhoses in the context of full cost accounting. As for construction of cultural and consumer service projects and housing, this was financed from the state budget on all sovkhoses regardless of the sources available. At the end of the year uncommitted resources were drained off for other sovkhoses. Only in 1985 did sovkhoses begin to use their own resources for construction of housing and cultural and consumer service projects. As all sovkhoses made the transition to the new economic conditions, the problems of financing outlays to expand production were solved: bank loans obtained for construction and acquisition of equipment were repaid from the budget for sovkhoses with low profitability.

The mechanism set up for the conduct of economic activity should, it would seem, guarantee that collectives have a greater interest in the profitable operation of sovkhoses. As for kolkhozes, the very form of distribution of income into consumption and accumulation must in cooperative economic entities make remuneration dependent upon the end results of the entity's activity. However, in 1985 16 percent of kolkhozes and sovkhoses incurred losses, and in 1986 the figure was 13 percent.

In 1986 the CPSU Central Committee and USSR Council of Ministers adopted a decree entitled "On Further Improvement of the Economic Mechanism of Economic Activity in the Country's Agro-Industrial Complex" which covered the questions of normative planning of purchases of farm products, the supply of materials and equipment, and relations of sovkhoses with the budget; it extended broad rights in the use of profit to sovkhoses, simplified the financing of capital investments of enterprises and organizations in the APK, and strengthened the pressures exerted through credit on kolkhozes and sovkhoses performing poorly. But the measures worked out in this decree to improve the economic mechanism do not touch upon the major problems of higher, and more rightly, full responsibility of the collective for the results of the enterprise's activity.

The article by V. Tikhonov, member of VASKhNIL, entitled "Basic Outline of Radical Restructuring of the Economic Mechanism of the APK," has expanded our usual frame of reference concerning the character the activity of the socialist enterprise--planning, relations of producers with consumers, awards for effort, payments to the budget, and appropriations made from the budget. The proposals advanced can neither be refuted nor passed over in silence, since mainly they are proper to the tasks of restructuring management of the economy and are based on the draft of the USSR Law on the State Enterprise (Association). At the same time some of them are either debatable or are in need of further refinement.

We will dwell only on the problems of self-financing, which is inevitably bound up with the way the enterprise operates, with the circulation of resources.

Given the higher level of social production, an objective need has arisen above all for what we might call technical independence of socialist enterprises, and this need is showing up more and more in agriculture. Attempts at centralized management of soil and crop measures and methods of carrying on agricultural production on kolkhozes and sovkhoses have not yielded the intended results in either cropping or animal husbandry, and they

have led to a schematized management of the farm and a decline of the initiative of supervisory personnel and specialists.

Along with independence with respect to production, there is also the closely related economic independence of the enterprise. The former determines the latter. The latter signifies a certain independence of the enterprise and disposition of the social product and financial resources and in deciding questions in the conduct of its business. But the product created at the enterprise is the property of society, not of the particular enterprise. Of course, this implies a restriction of the functions of the state.

Economic independence of socialist enterprises is related first of all to assignment of the means of production to them, even though the state does not cease to be their owner. In this case there is no document stating that the means of production have been leased out to the socialist enterprise. Independence with respect to production is combined with a certain independence in use of a certain portion of the national income which remains at its disposition. Such instruments of the economic mechanism as wages, prices, finances, and credit guide use of the national income and social product remaining at the disposition of the enterprise in the direction necessary to society. This is also done by breaking down state planning targets to the enterprise. But excessive regulation of enterprise activity nullifies the independence of the enterprise and of its collective. There must accordingly be a linkage between centralized management and enterprise independence.

Conversion of enterprises to cost accounting advances to the foreground the problem of providing for expanded reproduction by virtue of internal resources. This is broadening the limits on direct use of the surplus product by the enterprise. Thus as a method whereby socialist enterprises conduct their economic activity cost accounting signifies reimbursement of production costs and provision for expanded reproduction out of the enterprise's own sources, i.e., self-financing.

Covering expanded reproduction out of the enterprise's own sources narrows the boundaries of influence of the state on the enterprise and strengthens the latter's economic independence. At the same time cost accounting is assuming its final form and is becoming complete. This means a merger of the circulation of resources for simple and expanded reproduction. The enterprise's interest is expressed not only in operating without a loss, but also in obtaining the profit necessary for expanded reproduction and for formation of economic incentive funds.

The set of measures to improve the economic mechanism includes the following: production planning, sales, labor affairs, finances, credit, and granting the enterprise greater operational independence. None of these problems can be examined in isolation, detached from the others.

Profit is the result of the enterprise's performance in the context of cost accounting. Cost accounting, finances, and credit must have a vigorous impact on the productive performance of the economic entity and must contribute to introduction of a regime of economy and higher profitability of production.

Violation of the principles of economical performance and neglect of the problems of reducing production cost, of specialization, of the most effective use of land and fixed and working capital result in losses and slower growth rates of production.

The operation of any enterprise, kolkhoz, or sovkhos is aimed at production of a product which society needs. In 1985 material costs represented an average of 40 percent of the value of farm products sold, remuneration 40 percent, and profit 20 percent. Ultimately, production efficiency is expressed in the share of profit obtained by saving on material costs and expenditures for remuneration of labor.

V. Tikhonov correctly writes that "...in essence the criterion of labor income is not the process of labor, but the labor materialized in the product." The author's concept concerning the problems of remuneration of labor is clear--payment from gross income, i.e., from the final results of the enterprise's activity. However, in the author's rather detailed elaborations concerning formation of the fund for remuneration of labor, in our opinion, the interrelationship between remuneration of labor and gross income has not been brought to a logical end point. The author, who indisputably has a mastery of the problems of remuneration of labor, has stopped halfway in his conception of formation of the fund for remuneration of labor "in the form of a fixed share of the value of the net product (gross income) realized through all channels."

The essence of the problem of remuneration of the labor of workers as a function of the final results lies in the proportion of the fixed share of the value of the product sold which is to be credited every month to the fund for remuneration of labor. This question is a particularly keen one for the personnel of kolkhozes and sovkhos employed in cropping and certain branches of animal husbandry, for example, sheepraising, where the yield of the product is uneven in the course of the year or occurs only once a year. The pattern of dependence here is as follows: the larger the advances paid, the less interest there is in the end results of the activity of kolkhozes and sovkhos, and vice versa. The size of the advances transferred should not, apparently, exceed the volume of work planned in accordance with flowcharts using unit costs from rate schedules and 75 percent of the salaries of engineering and technical personnel and employees. Final remuneration of labor, in our opinion, must be made out of profit.

This should be accompanied simultaneously with radical changes in the Labor Code. Questions of hiring and discharging workers and the number of workers must be decided only by the collective of the enterprise. Regardless of the form of remuneration (the batch [skvoznoy] or brigade contract), remuneration for overtime, holidays, and days off will be in effect, and wages may be credited for time worked or work done using the labor participation coefficient. Supplements for class rating of chauffeurs and tractor operators and for foremen in livestock raising and cropping are accordingly eliminated.

The remuneration fund based on the end results cannot be created without the involvement of the collective, more accurately, its representatives--the management, brigade leaders, and workers. Distribution of the remuneration

fund, in which representatives of the collective are involved, puts most sharply the question of the size of the managerial staff and the number of workers both in production proper and also in auxiliary operations.

It is no accident that discussion of the conception of the radical restructuring of the economic mechanism began here with rewarding the collective for the end results of activity. If remuneration of engineering and technical personnel, workers, and kolkhoz members is to depend on the size of gross income, then naturally there will also be a change in the entire mechanism of planning, budget financing, and credit financing. Under these conditions the collective can adopt only those planning assignments which will guarantee efficient functioning of the production operation.

Accordingly, it is not production that must adapt to the plan, but the planning targets themselves must take into account the character of the enterprise's production. That is why V. Tikhonov's conception to the effect that the standards governing economic activity (the rates of tax payments of all types, prices of the principal products, interest rates, rates governing formation of the remuneration fund, and centralized investment ceilings) regulate production, in our opinion, reflect an opposition set up between economic methods of management and the administrative method, of "market socialism" to an economy regulated by plan.

A model of management of the economy needs to be worked out both at the macro and the micro levels. The frequent unsoundness of the plan and distortion of the principles of planning are manifested so vividly in agriculture that the management of kolkhoz and sovkhoz production by means of value categories is seen to be virtually a panacea against all the troubles affecting the economy of kolkhozes and sovkhozes.

A decision was made back in 1956 to break down to kolkhozes and sovkhozes only the volume of sales to the state of the products of cropping and animal husbandry. At the same time sovkhozes were assigned the volume of capital investments, the wage fund, and appropriations from the budget to develop the farm. At the same time, in spite of repeated decisions of policy-making bodies, many kolkhozes and sovkhozes are still receiving planning assignments for area planted, gross harvest of particular products, the number of head of livestock, and so on. This is being done both by the newly created bodies for management of the agro-industrial complex and also by local authorities. Now the indicators are being corrected a bit during examination of production and financial plans of kolkhozes and sovkhozes.

As a matter of fact, the main reason for direct administration in planning the production of physical indicators of kolkhozes and sovkhozes is the diminished role of the collective in management of production, since higher-level authorities, when they intervene in the production activity of enterprises, guarantee remuneration of the workers in accordance with the wage rate schedules in effect, piece rates, and salaries. When the kolkhoz or sovkhoz does not have enough resources for remuneration, i.e., when losses are incurred, an extension is granted on bank loans. This tends to build up the delinquent indebtedness on bank loans in the proportion of 50 percent of the annual value of sales.

However much higher-level authorities have been criticized for production planning that is not competent enough, it is they who must set the basic parameters of the activity of kolkhozes and sovkhoses as the terms of expression of society's needs. The transition to value methods of management signifies a step backward in attainment of optimum needs of the producer and the consumer. It evidently would be advisable for improvement of planning to break down plan assignments for procurement of certain products to procurement organizations. Conclusion of contracts between producers and procurement components, assuming strict mutual accountability for performance of the obligations assumed, will put production on a solid foundation on both kolkhozes and sovkhoses as well as in procurement organizations, and it will guarantee that society will receive the products it needs.

The planning of purchases after this pattern envisages not only making the procurement component responsible for the functions of planning the purchases to be made by Soviet authorities, but also that procurement organizations, having received plans for purchases of agricultural products, will exert pressure on the direct producers--the kolkhozes and sovkhoses. This procedure for planning purchases should supplement the system of value indicators, above all by means of scientifically sound prices and tax payments.

The price must reimburse the costs of production of the farm product and cover expanded reproduction and discharge of the obligations of kolkhozes and sovkhoses to the budget. The limited nature of fertile land makes it a necessity to bring average and poor land into production so as to obtain an additional amount of food for the population. Consequently, if the product is necessary to society, then the costs of its production are also socially necessary; that is, society recognizes the legitimacy of expenditures to produce a product on relatively poor or average land. But this does not mean that production is to be taken on any soil. Technical progress in agriculture, which is manifested in a higher yield of farm crops through selection and proper soil and crop practices is increasing the production of the product. Assessment of the land is changing accordingly.

As stated in V. Tikhonov's article, "establishment of a uniform price of the farm product grown under poor biological and climatic conditions of production of the marketable product in specialized zones of large-scale commodity production" is quite logical and simple in its implementation. As a matter of fact, what could be simpler--the price is set in view of the poor production conditions and differential rent is collected into the budget in the form of the rates of the land tax? A farm whose biological and climatic conditions are poor, covers reproduction in this scheme. But the simplicity of the solution to this problem is only theoretical. Practically everything is considerably more complicated than that.

The point is that profitable farm management, or the level of a farm's income, other conditions being equal, is influenced by the following: the adequacy of the means of production and labor resources available to kolkhozes and sovkhoses and their supply of materials and equipment. That is why purchase prices of farm products must be based on standard estimates of productive potential, which would take into account these features of reproduction. Of

course, freely forming negotiated prices should be applied more widely for certain products: vegetables, fruit, and grapes. These prices may also be applied to products whose production exceeds consumption.

The prices of materials and equipment supplied to agriculture must also correspond to the structure of purchase prices in the context of authentic cost accounting and self-financing. Selling agricultural equipment and fertilizers to kolkhozes and sovkhoses at preferential prices disrupts economic relations between producers and consumers and gives rise to an unthrifty attitude toward them on sovkhoses and kolkhozes. The price "scissors," expressed by the difference in level between prices of equipment (preferential) and spare parts (wholesale), tends to detract from the motivation of kolkhozes and sovkhoses to operate old equipment. Because of the shortage of spare parts there are quite common cases when tractors and combines are cannibalized for parts. That is why the sale of materials and equipment to kolkhozes and sovkhoses must take place at the wholesale prices of industry.

When enterprises are operating on the basis of full cost accounting and self-financing, credit inevitably has a greater role both in bridging seasonal gaps between expenditures and income and also for capital investments. The attitude that credit is a means of covering the economic mistakes of enterprises and organizations cannot be changed solely by directive as to closer bank monitoring of the use of credit for the purpose stated. A mechanism is needed that motivates enterprises to repay credit on time.

The conception of radical restructuring of the economic mechanism has proposed a model of bank credit financing in the form of higher differentiated interest rates for the use of credit. There can be no objection to this model. All that one should add is that the ability of the enterprise to pay should be the condition for repayment of the credit, not the payoff of the particular measures and projects financed with the credit.

The radical restructuring of the economic mechanism means granting full rights to the collective to dispose of financial resources for expansion of production. The deficiency of the operation of the mechanism of sovkhoses operating on full cost accounting, and this incidentally also applies to industrial enterprises operating under the new conditions, is excessive fascination with the role of profit detached from accountability for the results of the farm's operation. The system for the conduct of economic activity which we have had is that the collective is stimulated for good and profitable performance, but the state is accountable for poor performance and operation at a loss. The new economic mechanism, which extends to the enterprise the right to dispose of proceeds from sales of its products and services rendered, poses the problem of the collective's motivation in a new way: you get what you have earned.

That is why questions have arisen as to expansion of production from internal sources. The assignment for construction to be financed from internal sources should apparently be based on a solid foundation--standard proportions of the

planned proceeds, which should be fixed for the 5-year planning period, or which would be assigned in firmly fixed amounts.

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Gosplan Official

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 6, Jun 87 pp 82-85

[Article by I. Nefedov, chief department specialist of USSR Gosplan: "Financial Aspects of the Activity of Sovkhozes and Kolkhozes"]

[Text] In recent years the party and government have taken vigorous steps to improve the economic mechanism in the country's agro-industrial complex and to strengthen the economy of agricultural enterprises.

The effort is being made along several lines: democratization of the economic mechanism on the matters of planning, wages, pricing, etc. Particular attention should be paid to the granting of greater independence to kolkhozes, sovkhozes, and RAPO's [rayon agro-industrial association], development of their economic initiative, creation of the conditions for cost-accounting activity, the furnishing of direct budget financing for capital investments, reclamation projects and land clearing and soil preparation, and operating expenses, the raising of purchase prices, introduction of budget-financed supplements to purchase prices of agricultural products, and a number of other measures which have strengthened the economy of many farms. In 1986 kolkhozes and sovkhozes received more than 23 billion rubles of profit, and the profitability of agricultural production was 19 percent, as against 17 percent in 1985.

The decree of the CPSU Central Committee and USSR Council of Ministers entitled "On Further Improvement of the Economic Mechanism for Conduct of Economic Activity in the Country's Agro-Industrial Complex" defined the basic conditions of the economic mechanism for conduct of economic activity in the country's agro-industrial complex. At the various levels of management of the agro-industrial complex and on farms the basic principles of the economic mechanism have been adjusted and put into practice. At the same time there is an ongoing search for new and improved forms.

In this context the concept for radical restructuring of the economic mechanism of the APK, which is being proposed by V. Tikhonov, deserves attention, elaboration, and subsequent introduction during improvement of the economic mechanism in the 13th and subsequent 5-year planning periods, although some of these recommendations have been implemented on an experimental basis in a number of regions of the country or branches of the agro-industrial complex.

In describing the agro-industrial complex as a system V. Tikhonov emphasizes that every branch possesses a specific functional goal--some produce a product, others process it, still others advance it to the consumer, and so on. Accordingly, enterprises and organizations of every branch are guided by their own economic interests.

But even now there are good examples in the country of the combination of all these interests in the same hands. They include the agricultural combines "Kuban" in Krasnodar Kray, "Ramenskoye" in Moscow Oblast, the agrofirma "Adazhi" in Latvia. For example, the "Ramenskoye" Combine supplies 21 types of potatoes and vegetables to the city of Ramenskoye and to Pervomayskiy Rayon of Moscow. Moreover, the potatoes and vegetables supplied are of high quality: storage, processing (pickling and salting, and so on), and packaging are done by the agrocombine with its own resources, and only the marketable product, with practically no waste at all, is hauled to the stores as needed.

This eliminates the inefficiency of hauling substandard products to Moscow in the fall and then later hauling away the waste. Greater responsibility is shown for the storage and preservation of the product, since there is someone who "owns" it. Moreover, in the wintertime labor resources are used more efficiently on the sovkhozes and kolkhozes which are part of the combine. Of course, the combine has been extended the right to sell these products at negotiated prices, which are higher than retail prices, but lower than market prices. There is a mutual gain for both the producer (he is also the seller) and for the purchaser, i.e., the question is already decided in practice as to the mutual economic motivation of the producer and purchaser which V. Tikhonov has spoken about.

Now the question on the agenda is the further development of the economic mechanism, the transition of the enterprises of the agro-industrial complex to self-support and self-financing. Performance of this task means working out a set of measures to strengthen the economy of kolkhozes and sovkhozes, which are the basic production units.

There is in the country a group of highly profitable kolkhozes and sovkhozes with a high level of production. These farms are adequately supplied as a rule with the relevant productive assets; in most cases their housing problems and problems of social welfare and consumer services have also been solved. Farms of this kind represent approximately 23 percent, and they can get along without budget subsidies; they can repay credits of Gosbank on time, and they can carry on further expanded reproduction out of their own income.

At the same time there is a large group of economically weak sovkhozes and kolkhozes, especially in RSFSR. Decisions have been made repeatedly that require the relevant Soviet and agricultural authorities to analyze the causes of their lag and their operation at a loss, and financial assistance has been given to them constantly. Unfortunately, the effort made has not always yielded the requisite return. The main reason for this, in our view, is that there has not been a straightforward and comprehensive program for strengthening their production base, in particular for construction of roads, housing, and facilities for health care, culture, social welfare, and consumer services.

Standard allowances are still lacking in agriculture as to the relative adequacy (development) of production and nonproduction assets as a function of the specialization of the farms, the region where they are located, nor governing the distribution of physical resources. That is why quite often

agricultural machines, fertilizers, and other resources, and capital investments have been allocated to those farms on the remainder principle. Construction workers and workers specializing in agricultural chemistry, agricultural equipment, and other service subdivisions have been reluctant to go to such farms, many of which are far off the beaten track. The problem of holding on to personnel has not been solved.

The situation must change with creation of the system of USSR Gosagroprom. There is a need to develop a straightforward and specific program for leading such farms out of the abyss, including unswerving monitoring of that program's performance.

On economically weak farms it is important to increase the yield of farm crops and the productivity of animal husbandry. This can be done without large additional outlays, since the results of checks show that quite often their low indicators are a consequence of poor organization of production, of the shortage of qualified managers, specialists, and the common occupations, of a lack of attention shown toward those farms by authorities at the higher level.

But experience indicates that the results are forthcoming when an effort is made with such farms. There are levers by which it is possible to raise the yield of grain crops and potatoes, and milk production per dairy cow up to the planned indicators by using people's motivation, by introducing the collective and family contract, through effective rather than formal internal cost accounting, through the system of in-kind incentives, etc. It also needs to be noted that administrative authorities have recently shown greater interest in increasing the production results and economic results of operation of their subordinate kolkhozes, sovkhozes, and other enterprises.

At the present time several different versions of the economic mechanism are operating at the same time in the system of the agro-industrial complex depending on the branch. V. Tikhonov is right that the system must work in economic terms, without the volitional, subjective approach. At the same time we would like to note that simultaneous adoption of various principles and conditions of the economic mechanism applicable to the entire multitude of farms will not yield the results desired without an appropriate organizational effort, without appreciation for the differing level of economic activity, without a high level of completeness, and without income.

There needs to be a prior verification under practical conditions of the various versions and proposals to improve the economic mechanism.

The principles and parameters of the economic mechanism in the APK for the 12th Five-Year Plan--volumes, resource supply, prices, and so on--have mainly been worked out and set down in the 5-year plan. In the remaining years of the 5-year planning period there is a need to verify in practice and select the best forms, since even the very system of the APK is at its inception, especially the integration of agriculture with the processing industry. There is a need to seek out a form of a "vertical" [skvoznoy] economic mechanism that would link up the entire chain--from raising the farm product and its processing to advancing it to the consumer--into a single whole and one that would depend on the end results of that activity.

What is seen to be the problem, and in what direction should the effort now be made to guarantee the conversion of all enterprises to cost accounting, self-support, and self-financing?

In the context of self-financing profit is the principal source for carrying on expanded reproduction and for covering all expenditures. The size of the profit obtained depends on the level of organization of production, the degree of the farm's specialization, price policy, and so on. But all of this must be based on a sound production base combined with the existence of the necessary conditions in terms of social welfare and consumer services.

Farms located in different zones and with differing specialization have considerable differences in the adequacy of their production and nonproduction assets. Farms operating at low profitability or at a loss are distinguished as a rule by the low adequacy of their assets and their poor social welfare base. Will they be able to carry on construction on a larger scale out of internal resources? They obviously will not at the present time.

Even under conditions of 1986, whose results were the best in recent years, 6,300 farms ended up their activity with losses. Aside from a larger proportion of budget appropriations, the sources for financing capital investments on economically weak kolkhozes and sovkhoses will also be credit. At the same V. Tikhonov feels that the latter should be the "absolutely predominant form of investment in the system of the APK." We cannot altogether agree with such an assertion. It is correct in cases when the farms have been repaying credits taken on time. But recently there have been quite a few farms who have not been meeting this condition.

The economically weak farms for all practical purposes lack sources of financing of their own (except for depreciation), and they are compelled to take more credit. Since it is repaid gradually, decisions are made periodically to write it off or to postpone repayment for a lengthy period of time. That is why as all farms make the transition to the conditions of self-support and self-financing there has to be a clear determination at all levels of which sources must be used for construction on the economically weak farms. In addition, there has to be a decision as to which sources can be used to repay Gosbank credits covered by earlier extensions.

An analysis of the performance of kolkhozes and sovkhoses in recent years shows that the absence of the struggle there should have been to strengthen the economy, the poor introduction of cost accounting on many farms, the excessive growth rate of remuneration, and the increase in the value of industrially produced implements and subjects of labor and of services rendered have resulted in a constant rise in the production cost of agricultural products.

In order to create "cost-accounting" conditions there has been a constant direct raising of purchase prices on the one hand and the introduction of various types of supplements to those prices on the other. Even now one hears proposals to the effect that as the transition is made to the conditions of self-financing the sum total of budget appropriations which are allocated to

agriculture through various channels must be adjusted to the rise of purchase prices. Strengthening the economically weak farms is a complex problem, and solving it, as experience shows, does not always depend on raising prices and increasing the amount of profit obtained. In our view, the financial support of cost-accounting activity of agricultural enterprises must be based on the following principles.

It has to be admitted that 55,000 kolkhozes and sovkhoses have not been uniform in their development. They can be provisionally divided into three groups: those which are highly profitable, those which are average, and the group of farms which operate at a loss or low profitability (less than 10-15 percent). And the effort to institute the conditions of self-support and self-financing has its own peculiar features for each group of farms. Cost accounting, which creates conditions for economical and efficient use of physical, financial, and labor resources and which makes it possible to remunerate labor as a function of the quantity and quality of the product produced, must be introduced on all of them.

Internal cost accounting, as a form of management, especially in primary collectives, depends little on the farm's level of profitability or completion of its construction. The main thing is that this effort be free of formalism. Realistic assignments need to be set as a function of the actual conditions so that the collective's interest in obtaining output at lower costs is an incentive for their fulfillment and overfulfillment.

There has to be a reform of pricing. V. Tikhonov proposes setting prices and rate schedules on a centralized basis, on the basis of bringing them closer to the value of socially necessary expenditures of labor. Moreover, the base that would be taken here is the single price set on agricultural products grown under the worst biological and climatic conditions in specialized zones of large-scale commodity production, and at the same time rent payments would be collected from "average" and "better" land.

This theoretical proposal deserves attention, but it would be difficult to execute in practical terms at the present time, since it requires reassessment of the present system of purchase and retail prices of agricultural products, changes in the system for financing agriculture with appropriations and credit, a reassessment of investment policy, and the solving of other complicated problems related to raising wages, pension coverage, and so on.

It also needs to be taken into account that the purchase prices of agricultural products have not been linked to investment policy, remuneration, or payments into the budget. In settling questions of the specialization of agriculture, our way has been to create new production capacities. We have created the system of industrial-type poultry farms, greenhouse combines, large livestock-raising complexes, rice-growing and cotton-growing farms on irrigated land; that is, in many cases commodity output began to be produced on specialized farms that mainly were built with resources allocated from the budget. Moreover, in creating new production capacities, which sometimes were unjustifiably capital-intensive, we forgot about the ordinary farms, which at present are furnishing the bulk of commodity output--milk, meat, potatoes, and vegetables. In their technology, the adequacy of their capital, and the level

of their costs these farms differ considerably from those which are highly specialized.

There is excessively great diversity in agriculture at the present time. All of this is causing definite difficulties in finding sources for expanded reproduction. Especially since at the present time there is a need to settle the question not so much of expansion of the production base as of development of rural social welfare. By virtue of prices, introduction of rent payments, and expansion of credit, as V. Tikhonov proposes, it is difficult to create major sources for financing this program.

It would be advisable to take as the point of departure that purchase prices of the principal farm products sold to the state must create a certain level of profitability starting with the average level of socially necessary costs for the given region, which is in principle what V. Tikhonov is proposing.

In the year when purchase prices are set, it makes sense to record all physical and energy resources, including agricultural machines, fertilizers, building materials, and so on, at current wholesale prices, not at the preferential prices which have now been set for agriculture. Both the purchase prices and the wholesale prices must remain stable in the course of the 5-year planning period.

Farms operating under quite poor natural and economic conditions would receive supplements to the purchase prices during the 5-year period, and those supplements would be fixed not depending on the current level of profitability, but on the standard adequacy of the resource potential in view of soil fertility, the production and nonproduction assets available, and the supply of labor resources.

The proportion of such supplements to purchase prices must guarantee them minimum cost-accounting activity, i.e., formation of economic incentive funds, the financing of current outlays which cannot be postponed, acquisition of agricultural equipment, performance of current and major repairs, and so on.

The construction of major production facilities, housing construction, and construction of social welfare and consumer service facilities would best be done with earmarked budget financing until such farms reach the average adequacy of capital for the given region.

As all farms make the transition to the conditions of self-financing, authorities for management of agro-industrial associations (at the level of the oblast, the kray, and so on) must have a certain reserve as well as the right to redistribute uncommitted resources that have formed on some of the farms.

The decree indicated above calls for creating a centralized reserve fund. It would seem that in addition to the generally accepted sources for formation of these centralized funds, it is time to introduce rent payments as well. V. Tikhonov has in fact spoken about this when he proposes that a land tax be collected on the basis of an economic evaluation of land resources in the form of rent payments from the "average" and "better" land. In our view it would

be advisable to extend his proposal and introduce rent payments for those farms which have indicators of adequacy of capital that considerably exceed the average indicators of the rayon or region or which enjoy a monopoly position (proximity of the sales market, narrow specialization, the services of municipal energy and water supply, and so on). Construction of such farms (industrial-type poultry farms, complexes, hothouse combines, and farms on irrigated land) was mainly financed from the budget and to a certain extent to the detriment of other ordinary farms. Now, along with the substantial reduction of budget financing and the need to repay bank credit, higher-level authorities must have the necessary resources to extend aid to economically weak farms. Moreover, those farms which meet the standard indicators with respect to the adequacy of capital and biological and climatic conditions, but which have not achieved high production and economic indicators by virtue of better organization of production, introduction of intensive technologies, and the saving on physical and labor resources, should be exempted from the rent payments.

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Gosagroprom Administration Head

Moscow PLANOVOYE KHOZYAYSTVO in Russian No 6, Jun 87 pp 86-88

[Article by A. Zavgorodniy, administration chief of USSR Gosagroprom, candidate of economic sciences: "On Improvement of the Mechanism for Conduct of Economic Activity by the APK"]

[Text] The 27th CPSU Congress outlined the main directions for conducting the radical reform of the economic mechanism of the entire economy and of the agro-industrial complex, which is one of its basic links. This restructuring has already begun. The new administrative bodies and economic mechanism for conduct of economic activity have been in operation for a year now. During that time many problems which had built up for long years managed to get solved. The organizational and economic methods of economic activity are beginning to get a solid legal basis under them.

A set of measures is now being performed in the country toward broad introduction of new methods of planning and economic incentives on the basis of progressive standards, and the rights of kolkhozes, sovkhozes, and other enterprises and organizations of the APK have been broadened in dealing with business affairs. Work collectives and all levels of management have greater motivation and responsibility for intensification of production, for guaranteeing high end results, for introducing the contract and cost-accounting (khozraschet) principles of economic activity, and for making the operation of all enterprises and organizations in the system of USSR Gosagroprom more efficient. For all practical purposes the effort to convert enterprises of the processing industry of USSR Gosagroprom to the new economic conditions of operation has been brought to its conclusion.

Jointly with interested union departments USSR Gosagroprom has prepared a number of documents comprising the normative base for restructuring the economy of the APK. Large-scale training of personnel at all levels of the

system of USSR Gosagroprom in the study of those documents was organized over the winter. Fuller use of the entire arsenal of economic levers in the conduct of economic activity will yield more substantial results in the 2d year of the 12th Five-Year Plan.

At the same time the experience of the 1st year of operation has shown that, first, not all the levers of the new economic mechanism have as yet become fully effective, and second, an urgent need has arisen with full severity for creating and introducing in all units of the APK an integral system of the economic mechanism based on rejection of noneconomic coercion in business life and the transition to predominantly economic methods of management.

This fundamentally important principle has been quite correctly pointed out in the article of V. Tikhonov, member of VASKhNIL. The author emphasizes that the need has arisen to create an economic mechanism that guarantees a real rather than a formal transition of the planned socialist system to predominantly economic methods and instruments for management of the APK. Unfortunately, the article does not analyze the shortcomings of the new economic mechanism that has already been implemented. The normative method in planning has been poorly applied in a number of places (especially in the republics of Central Asia and the Transcaucasus). For example, the system of incentives for increasing purchases of grain and production of sunflowers, sugar beets, and soybeans has not been fully effective. Another example, what use have kolkhozes and sovkhozes made of the right extended to them of selling as much as 30 percent of the planned volume of purchases of potatoes and fruit and vegetables to cooperative organizations and on the kolkhoz market at negotiated prices? In 1986 only 2.8 percent of the fruit and berries, 2.4 percent of the vegetables, and 0.7 percent of the potatoes were sold under those conditions. To a certain extent the reason for this was that the future contracts and plans for delivery of these products for processing last year covered practically all the potential for their production, and there accordingly proved to be very little left over. Other problems have also arisen in this connection--the lack of transport on the farms, the unpreparedness of personnel for trade in produce, the absence of the necessary number of sales outlets on markets, the imperfect nature of relations with consumer cooperatives, and so on.

It has not been possible to achieve unity of interests of agricultural, processing, and procurement enterprises and organizations. In each of these branches there is an economic mechanism operating which is typical only of that branch; this is creating serious difficulties in planning and financing the branches of the system of USSR Gosagroprom as a single entity, in transition to self-support and self-financing, and in evaluation of performance based on the end result.

For instance, the present economic mechanism of enterprises in the sugar beet industry called for adjustment of plans according to incoming raw materials. Under present conditions it does not afford mutual motivation of agricultural and processing enterprises to obtain a high end result. Accordingly, USSR Gosagroprom is completing preparation of recommendations for presentation to consideration of the commission on transition to the new economic conditions on the principles of self-support and self-financing of enterprises in the

sugar, oil and fat, and canning industries. Other recommendations are also being prepared for improvement of the organizational and economic mechanism whereby the APK conducts its economic activity.

There is no question that there needs to be further refinement and standardization of the system of payments into the budget and the system for formation of economic incentive funds and distribution of profit at the enterprises and in the organizations of the system of USSR Gosagroprom. The author correctly raises the question of improving pricing.

There is also a need for improvement of the structure of management of the agro-industrial complex at all levels, especially at the level of the RAPO.

At the conference in the headquarters of the CPSU Central Committee M.S. Gorbachev noted that "...everything is not what it should be now with rayon APK's. Many of them have not understood their role; they want to give orders to the chairmen and directors. Once again this is nothing other than the administrative approach, an attempt to adapt the new form in order to conceal the old bureaucratic methods of operation." (1) At present it is a question of transition of the RAPO to economic methods of management and of an actual rather than a formal delimitation of management functions between the RAPO's and the farms. This management body must not take on the functions of farm managers, but should help them in making full use of the potential that has been created and in bringing all the produce produced to the consumer's table. The question of transition to cost accounting not only of kolkhozes and sovkhoses, but also of the bodies for their management, which must bear responsibility for their enterprises operating without a loss, has also come to a head at this point.

It should be said that the article by V. Tikhonov, member of VASKhNIL, has in our view been correct in calling attention to the need for experimental verification of the system of the economic mechanism, for performing appropriate economic experiments in order to avert errors in operation in all the units of the APK. Such experiments, as is well known, are now being conducted in the country. The activity of enterprises in the system of Gosagroprom on the principles of cost accounting and self-support is now being worked out in Stavropol Kray and also in a number of oblasts and rayons of RSFSR.

More than 20 agro-industrial combines, including "Kuban," "Kashirskoye," "Ramenskoye," etc., have been created and are operating effectively in a number of rayons of RSFSR, UkSSR, BSSR, and other republics in order to solve the problems of deepening integration of agriculture with the processing industry, to achieve high end results of operation, and to bring the produce to the consumer.

On the basis of the advanced farms, scientific-production associations and enterprises production systems are being created in which coordinated joint activity in production of certain products is going forward under the organizational and technological supervision of the head enterprise on principles of cost accounting, mutual interest, and accountability. The agrofirma created on the basis of the "Adazhi" Kolkhoz in Rizhskiy Rayon of

LaSSR is an example of this form for the introduction of progressive know-how. Kolkhozes, sovkhozes, and other agricultural enterprises belong to it on voluntary principles. Coordination of the activity in this production system takes place along three lines: the raising of high yields of potatoes and production of various food products from them; introduction of intensive technology for raising rape; reproduction of dairy herds using the method of transplantation. Agrotrade firms are in operation in a number of Baltic republics and TaSSR.

The January (1987) Plenum of the CPSU Central Committee, as is well known, noted among other measures the further democratization of management of the agro-industrial complex. Experience has shown that many RAPO councils have now been turned into advisory bodies vis-a-vis their management staffs.

The "Novomoskovskoye" Agro-Industrial Association has been created as an experiment to work out problems related to expansion of democratization of management at the level of the rayon on the basis of the Novomoskovskiy RAPO in Tula Oblast. It will perform its activity on a democratic basis, cost accounting, and self-support. The supreme body for management of the association is the conference of authorized representatives of kolkhozes, sovkhozes, and other enterprises and organizations belonging to it. The association's activity is managed by the board elected by the conference of authorized representatives. The board is headed by the chairman of the association, who is elected in the conference of authorized representatives from among the most prestigious farm managers. A management staff is created on a competitive basis from among highly qualified specialists to deal with the association's organizational and production problems.

It is becoming more widespread practice to elect the managers of the RAPO on a democratic basis from among progressive farm managers in many other agro-industrial associations of the country.

V. Tikhonov's article correctly raises the question of the need for radical restructuring of the norms and procedures of economic law and also for revising the principles of civil law. We would suggest that a number of outdated pieces of legislation should also be repealed more speedily; many of them were adopted more than a decade ago. All of this is now creating substantial difficulties both in preparing the corresponding normative documents on questions of the economic mechanism for conduct of economic activity and also in organizing the conduct of the economic experiments. In the stage of reconciling the normative acts which are being prepared the interested union ministries and departments frequently act out of momentary departmental interests, arousing various fears, doubts, and threats, making reference to the outdated normative documents.

There are also other questions raised in the article which need to be dealt with in carrying out the radical restructuring of the economic mechanism of the APK, since the agro-industrial complex possesses a complicated functional, economic, and social structure.

A certain organizational and economic basis for further effective development of the economy of the agro-industrial complex has been laid down in the

country since the decrees of the CPSU Central Committee and USSR Council of Ministers came out on improving management and the economic mechanism for conduct of economic activity in the APK. The economic mechanism created, as already noted, is functioning, although some of its principles are undoubtedly in need of serious refinement and improvement. Experience shows that the economic mechanism now in effect needs development of new principles, and they in turn need more thorough conceptualization, theoretical substantiation, and experimental verification. In our opinion, this interlinkage between the present economic mechanism and the one to be created in the future is not clearly examined in the article, and this is one of its serious deficiencies. The conception proposed for radical restructuring of the economic mechanism of the APK is given in isolation, detached from the organizational and economic mechanism for conduct of economic activity that is now operating. However, in creating what is new, we should be more active in assimilating the forms and methods of socialist economic activity that exist and which have justified themselves in practice.

In other words, the organizational and economic mechanism that has been developed during the radical restructuring must promote creation of those conditions for economic activity which, as M.S. Gorbachev expressed it figuratively, make it possible "...to overcome the braking mechanism and to create an effectively new mechanism for acceleration."(2)

It is this principle, it seems to us, that should also guide the preparation of recommendations for improvement of the economic mechanism of the APK.

FOOTNOTES

1. SELSKAYA ZHIZN, 25 January 1987.
2. PRAVDA, 14 February 1987.

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CROP SITUATION IN UKRAINE

Spring Crops in Crimea

Kiev SILSKI VISTI in Ukrainian 9 Apr 87 p 1

[Article by V. Kovalenko, Crimean Oblast]

[Text] Spring crops are being sown on Crimean fields that recently were covered by snow. This year the February 'windows' that are used by farmers for sowing spring crops did not open. Not until the beginning of April did the sun melt the snows and sowing could commence.

The mechanics were ready and moved the machinery to the fields. As soon as the ground dried harrowing and cultivation was started and the sowing attachments were prepared. At the beginning sowing was selective because of uneven ground drying.

Eventually sowing spread to the central regions of the peninsula where drying proceeds at a slower pace. The first several hundred hectares have already been sown in the Krasnogvardeyskiy Rayon.

Special Care of Barley Fields

Kiev SILSKI VISTI in Ukrainian 2 May 87 p 3

[Article by L. Pilipenko, Kharkov Oblast]

[Text] Due to delayed sowing barley development will occur at an accelerated rate this year, while the onset of tillering will fall in the third decade of May, coinciding with massive development of pests, weeds, and diseases. Consequently, appropriate protective measures have to be utilized in conjunction with fertilizers to ensure high yields.

On the majority of the fields intensive technology will have to be employed, using every means available to increase the nutrient value of the soil and to insure crop protection. Ammonium nitrate should be utilized in a dose of 40-60 kg per hectare to provide the nitrogen need for increasing heat resistance and because half of the harvest is formed in the initial stages of development. The dosages are adjusted at each farm to meet local soil and plant conditions.

Light and moderate harrowing should be performed on fields without sprouts but with a heavy weed cover. During the tillering phase with ambient temperatures of 12-14°C treatment with 2,4-D category herbicides is advisable; the presence of perennial weeds should be managed with mixtures of lontrel and the amine salt of 2,4-D.

During tillering in the steppes barley should be treated with chlorofos, metafos or fozalon against stripped grain flea and leaf beetle. In the foreststeppe and Polesye the barley is protected against the frit fly, stem fleas, and the grain plant louse by spraying with metafos and detsis. The crops are treated with tsineb, bayleton, tilt, or fundazole to protect them against powdery mildew, helminthosporiosis, septoriosiis, and root rot at the tillering and grain forming stage.

Chemical crop treatment should be limited to the affected regions, whereas large scale treatment should be limited to situations with a maximum pest density above the damage threshold.

Special care must be accorded to barley crops planted after a stubble plants where complex phytosanitary conditions may prevail.

The final responsibility for the barley crop at this difficult time lies in the hands of the agronomists. Everything depends on their experience and abilities in managing such difficult situations.

Grain Crops in Ukraine

Kiev SILSKI VISTI in Ukrainian 7 May 87 p 1

[Article by M. Rubets, chairman, Plant Protection Administration, Ukrsilhosp-khimiya Association, UkrSSR Gosagrprom, and B. Areshnikov, department head, Ukrainian Scientific Research Institute for Plant Protection]

[Text] The use of intensive technology in the cultivation of grain crops must be combined with high quality land management, the use of highly productive varieties, use of appropriate nutrients, and a well-planned approach to pest, disease, and weed control. The phytosanitary state of crops is adversely affected by inappropriate agrotechnology and inefficient management.

Clean fallow is particularly important in wheat economy, otherwise disease agents, wheat moth, Drotyniyk, and other pests will multiply. Application of high doses of nitrogen fertilizers with a phosphorus and potassium imbalance leads to extensive rust development, powdery mildew, root rot, septoriosiis and other pests.

In the spring and summer success can be obtained with chemical crop protection. Crop treatment should be conducted on a cost-effective basis and in accordance with plant growth stages.

This year many farms have problems with weeds during the spring tillering phase when the air temperature is 12-15°C. In such cases one of the following herbicides is recommended: 40% ammonia salt (1.5-2 kg/hectare), 40% dialen (1.9-2.5), 30% lontrel (0.3 kg/hectare), 2,4-D butylate, 43% emulsion (0.8-1.2 liters per hectare). Lodging may be avoided by spraying the wheat at the end of tillering:

at the time of stem extension a 60% manure suspension is applied in a concentration of 1 kg per hectare.

Analysis of the winter crops in a number of rayons of the Vinnitsa, Poltava, Sumy, Lvov and other oblasts has shown that, as predicted, 10% of the crops are afflicted with agents responsible for root rot, powdery mildew, brown rust, septoriosiis, and other diseases. Under favorable conditions, such diseases may assume massive proportions. In order to avoid this the first appearance of root rot, snowy mildew, or powdery mildew should be followed by the application of 0.5 kg/hectare fundazole (benlat). Treatment of rust, powdery mildew and septoriosiis at this stage requires bayleton or tozonite (0.5 kg/hectare). With spraying equipment the actual quantity of solution expended comes to 300 liters per hectare.

The following treatment methods are applied to steppe and forest-steppe zones against true bugs and tortoise beetles when the counts are 1-2 specimens per square meter, or 0.5-1 per square meter on weak crops and dry weather: 80% chlorofos (0.8-1.2 kg/hectare), 40% metafos (0.5-0.8 liters/hectare), or 50% metathione (0.8-1 liters/hectare).

At the time of sprouting and the appearance of the third leaf in the case of eared crops, particularly with late sowing and low moisture levels, spraying with chemicals may be needed as protection against the frit fly, grain flea, and the leaf beetle. A 40% methylparathion solution has been found effective (0.4-0.6 liters per hectare) in such cases; against the flies 80% chlorofos (1-1.2 kg per hectare) has been shown to be equally effective.

Under certain conditions combined treatment of weeds, pests and diseases may be employed, but in allowable doses.

At the time of full tillering prior to complete wheat filling under conditions of adequate moisture or irrigation exacerbated development of powdery mildew, brown rust, and spike diseases occur. If more than 1% of the plants are affected and the climatic conditions favor spread of the pathogens or disease the crops should be treated with bayleton, tozonit, or fundazol in a concentration of 0.5 kg per hectare, tilt (0.5 liters/hectare), or tsineb or polycarbazine (4 kg per hectare).

At the starting stage of grain formation in the case of winter wheat the fields are treated with 80% chlorofos (0.7-1 kg/hectare), 40% metafos (0.5-0.7 kg/hectare), or 2.5% detsis (0.25 liters/hectare) when the counts of true bug and beetle larvae are 10 or greater per square hectare, or 1-2 per square hectare on intensive cultivation fields, as well as when the counts of the cereal aphid reach 5-10 per ear and those of leaf beetle 3-5 per square hectare.

At this developmental stage chemical treatment is indicated when there is danger of brown rust, septoriosiis, fuzariosiis and spike bacteriosis.

In the Kherson, Nikolayev, Zaporozhye, Donetsk and other steppe oblasts winter wheat at the stage of 'milky-waxy' [sic] maturity is subject to damage by true bug, tortoise beetle, and cereal aphid larvae, as well as by thrips, and grain beetles.

Treatment is with the same chemical agents used in the same doses as at the grain formation stage in the presence of 1-2 tortoise beetle larvae, or 3-4 grain beetles per square meter, or 25 cereal aphids or 30 thrips per spike.

Pest treatment at this stage may be combined with fertilization with urea. The use of proper doses of mixtures of contact and systemic preparations at this time, such as bayleton and tsineb or polycarbazine, prevents the development of resistant populations of pathogens, enhances the activity spectrum of fungicides, and frequently improves their biological activity.

When using land-based machinery, the standard use of insecticides calls for 50-110 liters per hectare, while fungicides, herbicides, and vat preparations are applied at the rate of 200-400 liters per hectare. Aerial spraying against pests and diseases requires 25-50 and 50-100 liters per hectare, respectively.

Lodging of Winter Grain Crops

Kiev SILSKI VISTI in Ukrainian 13 May 87 p 1

[Text] Cold spring this year led to a marked delay in the rate of maturation of winter and spring grain crops in many Ukrainian oblasts. However, with increasing precipitation accelerated growth has been observed, particularly in Western Ukraine. At winter wheat and spring barley fields where intensive cultivation is employed extra doses of fertilizers have been applied.

In the forest-steppe zone, especially in the right-bank oblasts (Vinnitsa, Khmel-nitskiy, Ternopol, etc.), the height of winter wheat plants has reached 15-17 cm in the first decade of May. However, the cold, rainy wheater favors overgrowth in some locations.

The danger of lodging exists on winter wheat fields devoted to the Odessa-51 and Dnepr-846 varieties, that are susceptible to this type of damage. This would result in poor harvests, poor grain quality, and render harvesting itself difficult.

The farm specialists should pay immediate attention to the status of the winter wheat and barley fields. Fields with evidence of lodging should be treated with TUR [sic]. Previously, scientists argued against using TUR when the spring was cold and recovery of vegetation was slow. However, studies at the All-Union Scientific Research Institute of Corn have shown that such constraints need not apply. Even late use of TUR has been shown possible. The use of intensive cultivation technology makes mandatory the use of significant doses of fertilizers, particularly the nitrogen fertilizers, and the use of plant growth regulators for preventing lodging has acquired new importance.

Fungal Diseases of Grain Crops

Kiev SILSKI VISTI in Ukrainian 26 May p 1

[Article by I. Bezpalyy, senior scientist, Ukrainian Branch, TsINAO (expansion unknown), candidate of agricultural sciences]

Fungal disease of wheat and barley had previously been neglected by the specialists, although they led to the loss of approximately 20% of the crops. With the introduction of intensive cultivation and the use of higher doses of mineral fertilizers, especially nitrogen, the incidence of powdery mildew, rust, septoriosiis, fuzariosiis and other diseases has increased markedly. Prevention rests on the appropriate choice of chemical agents, time of application, and application technology.

Agronomists are well aware that detection of diseases of winter wheat and barley must be followed by one or two sprayings.

Fungal Diseases of Winter Wheat

Kiev SILSKI VISTI in Ukrainian 4 Jun 87 p 1

[Article by M. Rubets, chairman, Ukrsilhospkhiimiya Administration for Plant Protection, UkrSSR Gosagrprom]

[Text] Wheat crops require special care at the time of earing. The climatic conditions across Ukraine favor the development of fungal diseases, particularly powdery mildew, rust, and septoriosiis. Statistics show that in the Polesye Oblast and in the forest-steppe zones 60-80% of the plants have been affected. The disease has now progressed to the leaves in the middle of the stem.

Agronomists must be reminded that when powdery mildew afflicts the upper leaves, and particularly the flag leaf, the harvest is reduced by 20%.

The farms have received adequate amounts of chemical agents for treating these conditions, particularly at fields devoted to intensive cultivation. It is the responsibility of the agronomists to ensure success.

In the steppe zone larvae of the leaf beetle bug have appeared. They cause elongated lesions in the leaves and may lead eventually to dessication of the entire plant.

The time is ripe now for preventing damage cause by the tortoise beetle in order to protect grain quality.

Protection of the grain crops must be administered in an efficient and business-like manner.

Protecting Barley from Tortoise Beetle

Kiev SILSKI VISTI in Ukrainian 18 Jun 87 p 1

[Article by M. Rubets, chairman, Ukrsilhospkhiimiya Administration for Plant Protection, UkrSSR Gosagrprom; B. Areshnikov, laboratory head, Ukrainian Scientific Research Institute of Plant Protection]

[Text] Winter crops in the northern and northeastern oblast of Ukraine are at particular risk of infestation with the tortoise beetle. This includes the barley crops. Monitoring agencies have reported that the larvae have already appeared.

Chemical means of plant protection are of key importance in such situations. The crops are treated when the beetle density reaches counts of economic significance.

Treatment is applied between the stages of 'milky' [sic] and 'waxy' [sic] maturity of the crops. Treatment is commenced when 1-2 larvae per square meter are discovered. to preserve the quality of the grain, particularly in the case of intensive cultivation. On lower quality wheat fields treatment starts when the larval counts reach 4-6 per square meter.

In addition to the tortoise beetle, wheat and barley crops are also damaged by leaf beetles, cereal aphids, grain beetles, and other pests.

The effectiveness of chemical treatment depends on appropriate terrestrial and aerial application technology. Inappropriate spraying technology diminishes the effectiveness of the chemical agents and leads to environmental pollution. Unfortunately, crops are often treated during the hot hours of the day. In addition, aerial spraying is often conducted without proper alert signals. This represents gross misuse of technology.

12172

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FRUIT, VEGETABLE CROP DEVELOPMENT

Effects of Cold Spring

Moscow IZVESTIYA in Russian 23 May 87 p 2

[Article by V. Tolstov: "Early Vegetables and a Late Spring"]

[Text] When a recent spring snowfall unexpectedly covered the southern orchards and fields, there were many who questioned whether or not there would be any vegetables, fruit or berries this year or would they be killed off by the cold weather.

Here is some information provided by USSR Gosagroprom [State Agro-Industrial Committee]. The inclement weather truly inflicted damage upon the plantations of early vegetables and the fruit orchards in many southern regions of the country. The cold snap began just as the mazzard cherries, common cherries, apricots and plums commenced blooming, fruit which are very sensitive to changes in temperature during this period. It is still difficult to say how much of the crop perished and yet it is quite obvious that the harvest in the south will be less than that of a year ago.

The situation is roughly the same in the southern regions with regard to garden strawberries and hautbois strawberries. But in the central zone, where these berries furnish good yields, there is still no concern being evidenced regarding their fate despite the fact that they ripened later.

This present spring period turned out to be an unfavorable one in practically all regions of the country, with Georgia experiencing the most difficulties. From 19 to 22 April, in the republic's principal regions for industrial horticulture, viniculture and vegetable growing, the temperature fell to 8 degrees below zero and in cities -- to 12. The snow depth reached 25 centimeters. This does not happen here every winter, not to mention spring. But it was precisely at this time that the apricots, peaches, plums and Persian walnuts blossomed and clusters of flowers appeared on the grapevines. This was their most vulnerable period.

According to estimates by specialists, the expected shortfalls in yield in the public production of fruit crops in the republic will amount to roughly 33,000 tons, grapes -- 32,000 and tea -- 60,000 tons. The crop losses on private plots will amount to tens of thousands of tons. Certainly, all of this will

bring about a reduction in fruit, berry and tea deliveries for the all-union fund.

The customers must be prepared for the fact that the fruit counters of summer and autumn fairs will not be as well stocked as they were a year ago. But the situation with regard to potatoes, watermelons and other melons, despite all of the weather difficulties, will be considerably better.

Owing to the prolonged cold weather, the planting of ground vegetables and young potatoes was delayed and thus they will be available for sale 2-3 weeks later than usual. However, the harvesting of these crops is not threatened. The selective harvesting of early potatoes has not yet been carried out in Tajikistan -- they are obtaining up to 100 quintals per hectare. And the extent of the harvest in the country's principal potato regions will be determined by the summer weather. The specialists still feel that the situation is similar to the one experienced in 1979. At that time, the spring period was also late and the vegetable planting periods were thus dragged out. Nevertheless, a fine potato harvest was at hand in the autumn and as it later turned out -- the best harvest for the entire five-year plan.

There is one other alarming factor: the gap between the old and new yield, which has increased by 2-3 weeks. Last year's supplies of potatoes and vegetables in the storehouses of Gosagroprom are presently nearly exhausted and purchases from the population have already commenced. According to some estimates, sufficient quantities of last year's potatoes still remain on the private plots of citizens and they are of good quality. This cannot be said concerning the products of the fruit and vegetable bases. According to official data, almost one third of the potatoes being placed in storage are not reaching the consumer. And those which finally reach the stores are far from being edible.

Many specialists with whom I discussed this problem are of the opinion that it is impossible to store and preserve vegetables in good condition until spring using the existing technology. And the more vegetables that are procured, the greater will be the losses. Moreover, it bears mentioning that these losses are considerable at the present time. Why, for example, is not early cabbage available for sale? Because a large quantity of the cabbages was spoiled when placed in storage in the autumn.

According to forecasts, the first young potatoes from the southern part of the country will appear in the stores no earlier than 5-7 July. The tomatoes on all of the plantations will ripen in late July and early August; they are hastily being sown at the present time using the seed of early varieties. Compared to last year, this year the customers will have available greater quantities of marrow squash, eggplant, peppers, spicy greens and gourds. Large areas have been made available for these vegetables on the country's fields.

The stores are still being supplied with early cabbage from Central Asia and Azerbaijan and greens and fresh cucumbers from hothouses. I believe that the customers have noticed that this year the quality of the hothouse cucumbers is higher than in past years. In addition to the long-fruit types, cucumbers of the usual size, for which there is a high demand, are also available for sale. Gosagroprom has drawn a lesson from the experience of last year, at which time, as a result of plant diseases, a considerable portion of the cucumber crop perished. This time it was recommended that the farms use better varieties and that they have a special preparation at their disposal for protecting the plants against diseases and the result: 25 percent more cucumbers were available for sale in early May than was the case last year.

The year has turned out to be a difficult one and yet there is no need for exaggerating the danger of a crop failure. If the summer is not stingy with warmth, then the plants will recover the ground lost as a result of the spring cold weather.

Belorussian Potato Planting

Minsk SELSKAYA GAZETA in Russian 31 May 87 p 4

[Article by S. Grib, BelNIIZ [Belorussian Scientific Research Institute of Agriculture] deputy director, V. Samersov, BelNIIZ director, and A. Bogdanovskiy, BelNIIKPO director]

[Text] The delay taking place in the growth and development of cabbage seedlings in open ground is arousing special concern. A nitrogen fertilizer top dressing (preferably urea) in a dosage of 15-20 kilograms of active agent per hectare should be applied immediately to the plants and thereafter they should be watered and the inter-row spacings loosened. In addition, and wherever possible, use should be made of small-scale plastic coverings for accelerating growth in the seedlings. Prior to selecting the seedlings, the hothouse should be watered abundantly and measures should be undertaken aimed at protecting the root systems of the plants.

Special attention should be given to sorting the seedlings and to treating the root systems with a clay-liquid cow manure wet feeding, with the addition of 80 percent chlorophos at the rate of 20 grams per 10 liters of water.

Prior to planting the seedlings, water supply irrigation should be carried out with an expenditure norm of 150-200 cubic meters per hectare. The planting of the cabbage is organized in two shifts, with full use being made of the light portion of the day in the interest of speeding up the completion of this work.

Given the conditions that have been created, it will be necessary, in addition to the planting, to organize simultaneously the tending of the already planted plantations and a pre-sowing treatment of the soil for those areas which have been prepared for planting, with a herbicide (Ramrod 65 percent, 7-9 kilograms per hectare according to the preparation) being applied 2-3 days prior to planting the seedlings.

The time is at hand for commencing mass inter-row cultivation work on all vegetable crop areas. Following cultivation of the soil and as the need arises, a top dressing of nitrogen, phosphorus and potassium fertilizer should be applied to the soil.

The optimum periods have arrived for carrying out chemical weed control work among carrot seedlings. Towards this end, use is made of Prometrin, 50 percent in a dosage of 5 kilograms per hectare according to the preparation. In the case of table beet sowings, Betanal in a dosage of 6 kilograms per hectare is most effective and is employed during the phase of two true leaves.

A need exists for organizing constant observation over the appearance of pests among vegetable crop plantings. During this period, the spring cabbage maggot and later the cabbage moth pose special danger for cabbage sowings. Table beets are threatened by the flea beetle and the opaque carrion beetle.

Once the pests have reached their threshold strength, treatments should be carried out as follows: cabbage -- 80 percent technical Chlorophos in a dosage of 1.5 kilograms per hectare, table beets -- 25 percent Antio in a dosage of 1.4 kilograms per hectare or 40 percent Phosphamide in a dosage of 0.5 kilograms per hectare. The release of tricograms is effective against the cabbage moth.

The heading phase for fodder beets has commenced in the southern and western regions. This is the best time for the formation of a plant density -- for thinning out, which must be carried out as rapidly as possible -- within a period of 7-10 days, leaving 70,000-80,000 plants per hectare.

The cold and rainy spring dictates a need for carrying out the blind cultivation of inter-row spacings, in order to avoid infestation of the plants by black root. This operation can be carried out prior to the appearance of the seedlings, with the tractor following the tracks left behind by the sowing machine.

In the northern regions, when there is a delay in carrying out the sowing work, pre-sowing harrowing should be carried out crosswise to the rows using light duty or chain harrows. In the process, it should be remembered that beets should not be harrowed if the height of the germinating plants in the soil exceeds 3-4 millimeters.

Pest Control Treatments

Minsk SELSKAYA GAZETA in Russian 12 Jun 87 p 3

[Article by Ye. Kolonitskaya, head of the Republic Laboratory for Forecasts and Diagnostics and N. Kharchenko, head of a laboratory for forecasts of belNIIZR]

[Text] The blossoming of orchards has ended. The weather conditions are favorable for the development of scab. The flight of the codling moth has commenced in the southern and central regions of the republic. During the second 10 day period in June, the pest is expected to lay its eggs and

hatching of the caterpillars is possible in the south. The release of egg eaters -- trichograms -- will be required in some orchards. The biological preparation Dendrobacillin must be used for combating the hatching caterpillars and against the development of scab on apples -- chemical preparations.

Infestation of Cabbage Maggots in Belorussia

Minsk SELSKAYA GAZETA in Russian 7 Jun 87 p 3

[Text] The infestation of cabbage plantings by the spring cabbage maggot is taking place on vegetable growing farms in Minsk, Grodno, Brest and Gomel oblasts. Although the density of the eggs is still low, nevertheless the warm weather has activated the flight of the pest and thus the mass laying of eggs is expected within the next few days. The pest poses a threat to the mid-season and late ripening varieties of cabbage. Insecticide treatments should be carried out just as soon as one egg appears on the plants.

Just as in previous years, leaf roller moths and inch worms have appeared in the orchards. The density of these pests in a majority of the republic's orchards exceeds the threshold value: from 4 to 7 inch worm caterpillars and from 3 to 5 leaf roller moth caterpillars for every two linear meters. Thus, in orchards where the pest density is higher than the critical value, treatments should be carried out using biological preparations or combined treatments of biological preparations with fungicides, immediately following the dropping off of 75 percent of the petals in the orchards.

Apple Orchard Protection

Minsk SELSKAYA GAZETA in Russian 14 Jun 87 p 2

[Article by V. Bolotnikova, head of a laboratory at BelNIIZR and A. Korshun, leading agronomist of Gosagroprom for the BSSR]

The weather conditions during the spring and early summer of this year favored the development of the apple disease -- scab. On the leaves of the trees, especially young ones, the greenish-brown spots of the mycelium fungus -- the causative agent of this disease -- have already appeared. Thus the protection for apple orchards which was started in the spring must be continued. For protecting the trees against scab, they must be sprayed with Polikhom, Polycarbacin, Tsineb or Topsinov-M. Polikhom and Polycarbacin must be used on some tracts (40 grams per 10 liters of water).

This season it will be necessary to carry out three treatments at intervals of not less than 10-12 days, especially for such susceptible varieties as Lobo, Melba, Belorusskoye Malinovoye and others. The preparations should be alternated during the course of carrying out the spraying work. The treatments should be completed no later than 20 days prior to harvesting the fruit.

The flight of the codling moth has now commenced in the orchards. In the case of some plantings, use can be made of a useful insect -- trichograms --

for combating the eggs of this pest and against hatching caterpillars -- decoctions and infusions of common wormwood and tomato haulm. In the orchards of kolkhozes and sovkhoses, special snares can be used (1 snare for 1-3 hectares of orchard) for determining those areas of orchards requiring treatment (preparation SH-2 to be used if not less than 5 male butterflies are caught during a week's time or the SR-MK preparation if 10 males are caught). For combating hatching caterpillars (based upon signals received from forecasting points) and when there is a low number of the pests, use is made of two treatments using the biological preparation Dendrobacillin. If there is a high number of the moths (more than 12 percent of the fruit damaged), one spraying is carried out using Zolon. The treatments against scab and the codling moth can be combined.

7026

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GRAIN, SUGAR BEET CROP CARE IN BELORUSSIA

Beet Herbicides, Insecticides

Minsk SELSKAYA GAZETA in Russian 16 May 87 p 3

[Article under the "A Note to the Farmer" rubric: "Dependable Protection for Plants"; first paragraph is SELSKAYA GAZETA introduction]

[Text] Rod weeding assemblies are in operation on the fields of the southern rayons of the Brest and Gomel areas. They are putting up a dependable barrier against the "green fire" and are protecting the plantings against pests. In the material published below, V.F. Samersov, director of the Belorussian Research Institute for Plant Protection, directs the attention of farmers to the main positions in the protection of agricultural crops during the near future.

Winter Crops

The early spring care of the plantings of these crops is already completed. It is essential to begin the weeding of weedy areas. One must remember that if there are more than 25 to 30 weeds per square meter in plantings of winter wheat and more than 50 to 60 on winter rye, then it is expedient to apply the amino salt 2.4-D or 2M-4Kh. These herbicides do a good job of destroying Cruciferae and swamp weeds. If daisies, knotweed and hemp nettle are abundant in the plantings, then one applies dialene, 2M-4KhP or a mixture of it with Iontrel.

To avoid infection with root rot, it is essential to treat the plantings of winter wheat during the heading phase with fundazol. This treatment can be combined with TUR.

Spring Grains

Special features of chemical weeding: the beginning of the work is during the phase of the third and fourth leaves. It is necessary to use reduced concentrations of herbicides during this period. They use ethers of 2.4-D when the temperature is below 15 degrees. When the plantings are infested with resistant weeds (daisy, knotweed, Galium, spurry and others), it is essential to apply dialene, bazagran or 2M-4KhP. In utilizing dialene on barley, adhere

strictly to the norm, otherwise the leaves will be burned. When there is a lot of yellow or field thistle, it is recommended that lontrel be added to the 2M-4Kh, 2,4-D or bazagran. When sowing meadow clover under spring grains, it is recommended that 2M-4Kh, 2M-4KhM or bazagran be applied in the phase of the first tripartite leaf. It is better to apply mixtures of 2M-4KhM and bazagran or 2M-4Kh and bazagran.

In connection with the late spring and the delay in sowing in individual rayons this year, the sprouts of barley and oats may be damaged by Swedish flies. On plantings sown in May, therefore, one should plan to combat them. When the time of the flight of the insects coincides with the time of chemical weeding, it is possible to combine the herbicides indicated above with insecticides (methyl parathion, Dipterex, phosphamide or phozalon). When sowing grain fodder mixtures (oats with vetch, oats with peas and others), the chemical weeding is done with the herbicides: 2M-4KhM for peas and oats, bazagran, 2M-4Kh, 2M-4KhM or 2M-4Kh + 2M-4KhM for peas and barley, and prometrin for vetch and oats.

Sugar Beets

Beet plants are usually damaged in the period of sprouts by the dull carrion beetle, the beet flea and the beet miner fly. The spraying against the dull carrion beetle and beet flea is done during the fork phase with the utilization of Dipterex, rogor, antio or bazudin. Against the beet miner fly, they treat with these same insecticides during the phase of three to four true beet leaves.

On beet plantings cultivated under intensive technologies, they apply herbicides twice: soil herbicides prior to sowing and the herbicide betanal is recommended during the phase of the appearance of the first pair of true leaves for combatting annual dicotyledonous weeds. The application of the latter can be combined with insecticides recommended for combatting the dull carrion beetle and the beet flea.

This year in the republic, sugar beets are being sown with seed treated with the new insecticide furadan, which is a highly toxic compound. For this reason, during the sowing workers must protect themselves with a gauze binding with cotton wadding and rubber gloves.

Presowing, Sowing Techniques Outlined

Minsk SELSKAYA GAZETA in Russian 29 Apr 87 p 3

[Article by A. Yarovkhovich, chief of the sector for the technology of the production and procurement of sugar beets of the Belorussian SSR Gosagroprom, and V. Kurganskiy, director of the Belorussian Zonal Experimental Station for Sugar Beets: "Good Harvest from the 'Sweet Root'"]

[Text] This year's sowing campaign was an intense one for the republic's beet growers. In connection with the later development of spring processes this year, all technological operations in the preparation of the soil and the application of fertilizers and herbicides are being carried out more

expeditiously, in a short time. Caterpillar tractors having a lower specific pressure of the undercarriage are used in the preparation of the soil to be planted in beets.

On light soils, they carry out the early spring loosening of the soil to a depth of 5 to 7 centimeters with a BP-8 harrow or a wide-coverage assembly equipped with heavy (ZBTS-1.0) or medium (ZBSS-1.0) toothed harrows. On heavier and rocky soils, they cultivate to a depth of 10 to 12 centimeters. The work to loosen the soil on one field must be finished within 1 day. They also level the surface of the soil with a machine unit made up of ShB-2.5 smoothing harrows (first row) and ZBP-0.6A harrows (second row) or with the assembly PVK-3.6.

They perform the presowing cultivation with cultivators of the type USMK-5.4 to the depth at which the seeds are covered. Depending upon the density and moisture content of the soil, the cultivators are equipped with the appropriate working instruments. On soils of average density and normal moisture, duckfoot tines and later spiral rotors and hinged levelers are installed on the USMK-5.4A (B) cultivators. Such a set of working instruments ensures a minimum depth of cultivation, which is extremely important for the placement of the seed on a compacted bed when covered by a shallow layer of soil.

Herbicides are applied immediately before the presowing cultivation of the soil with POM-630-1 or OPSn-15M rod sprayers with mandatory raking in. In utilizing the POM-630-1 sprayer, they set it up on a tractor and put the rod on the harrow hitch (or on the front edge of the beam of the cultivator). As for herbicides, they use phenazone (5-6 kg d. v. per hectare), lenatsil (1.5-2) or acetlur (8-10). In the work of sprayers, it is essential to make sure that the hydraulic or mechanical mixers, manometer and liquid cut-offs work steadily. The assemblies are equipped with markers, which makes it possible to exclude the double application of herbicides and gaps.

On the overwhelming majority of farms, most of the phosphorus and potassium fertilizers for beets were applied at the time of the fall plowing, whereas it is essential to apply nitrogen fertilizers at the time of the spring cultivation. The rest is applied in the rows during sowing ($N_{10}P_{20}K_{10}$) and as a supplementary feeding ($N_{30}P_{30}K_{40}$). The norm for the application of mineral fertilizers depends upon the size of the planned harvest and the provision of the soil with nutrients and constitutes $N_{120-180} P_{90-120} K_{150-200}$. Complex liquid fertilizers are also widely used for sugar beets. They are applied at the time of plowing, in the presowing cultivation of the soil, and in the rows at the time of sowing.

The soils of the republic's beet-growing rayons have a low content of free boron. The availability of boron is reduced even more on limed soils. To prevent plant disease through core rot, it is essential to apply 1 to 1.5 kg of active boron matter as the basic fertilizer. For sugar beets, one should provide for the mandatory application of boric superphosphate at the same time as the sowing, and also boric acid in a dose of 5 to 6 kg per hectare, which is best applied in the form of a water solution (in hot water) along with the soil herbicides.

In the spring application of organic fertilizers for beets, it is necessary to carry out the plowing and subsequent surface cultivation of the soil in an extremely short time with rolling. Otherwise the sowing will proceed on a parched soil, which will bring about a significant reduction of the field germination of the seed.

They sow beets using the special sowers SST-12A or SST-12B immediately after the presowing cultivation of the soil (with an interval of no more than 1.5 to 2 hours), not allowing it to dry out. Only in this event is the seed covered with a moist layer, this being an indispensable condition for complete sprouting. The seed is sown at a depth of 2-3 centimeters in heavier soils and 3-4 centimeters in sandy loam and light loamy soils. The sowing of the field should be completed within 1 to 1.5 days. Otherwise it will not be possible to carry out the presprouting harrowing of the plantings at the same time. For this purpose, it is essential to organize the group utilization of sowing units. To obtain straight rows, which is very important for high-quality interrow cultivation, the first pass of the sower is made along stakes previously set out from the edge of the field. After that, the straightness of the lines is guaranteed by the track of the marker. The speed of the machine units in sowing must not exceed 4.5 kilometers an hour. To go faster than that worsens the filling of the cells of the sowing disks with seeds, which leads to an uneven distribution of seeds in the rows.

On cultivated soils, with the application of soil herbicides, the standard amount of seed sown must be 18-20 seeds per running meter of row and 25-30 seeds on poorly cultivated soils at a laboratory seed germination rate of not less than 80 percent. It is inexpedient to obtain more than 15 or 16 plants per running meter because of the subsequent substantial increase in labor expended for thinning. The utilization of seed of single-sprout varieties permits a reduction of this labor by a factor of two or three in comparison with multiple-sprout varieties.

The standard seeding is regulated by changing the number of cells of the seed-sowing disk and by changing the speed of its rotation. To change the number of cells on the seed-sowing disk, a sector is installed for covering one row of cells or they set up a one-row disk. The speed of the rotation of the disk is changed by readjusting the chain of the transmission mechanism by the necessary sprockets. Only sowers that have been technologically adjusted and that have the acceptance mark should be used in the sowing.

To prevent the formation of a crust on plantings and to destroy sprouting (in the "white-threads" stage) weeds and to establish favorable conditions for the appearance of sprouts and the further development of young plants, the beet plantings are harrowed completely on the fourth or fifth day after sowing with light ZBP-0.6 or Z-OR-7 harrows (depth of cultivation no more than two-thirds of the depth of the seeds). The harrowing is done in a short time (1 or 2 days) on a diagonal to the direction of the sowing.

Plant Protection Measures Outlined

Minsk SELSKAYA GAZETA in Russian 31 May 87 p 4

["Boldly Care for Plantings"]

[Text] An alarming situation has developed this year in the fields of the republic. The unevenness of the application of nitrogen fertilizers, sufficient moisture and the inadequate use of retardants led to the local lodging of winter crops on individual farms of Brest, Gomel and Minsk oblasts. Along with crop plants utilizing nutrients and moisture, weeds are also growing intensively. Such diseases as powdery mildew, helminthosporiosis and Perenospora mold showed up earlier than usual. All of this can lead to a shortage in the harvest of 7-10 quintals of grain per hectare.

What can and must be done on the plantings of winter grain crops in the existing situation? First of all, immediately involve in the work all available means for the treatment of the plantings with retardants. The optimum time for the treatment--the flat-leaf stage--has already passed in a number of cases. In the 3 to 4 days remaining prior to the heading of the winter rye, it is essential to treat the plantings and above all the high-stem varieties "belta", "voskhod-1" and "pukhovchanka" on parcels with a yield of higher than 30 quintals per hectare with kampozan, 3-4 liters/hectare, or with a mixture of kampozan and TUR (1 and 3 kg/hectare, respectively). At the end of the optimum time for treatment, the lower norm for the application of retardants should be utilized. The short-stem varieties of winter rye "kryzhachok," "verasen" and "chulpan" do not, as a rule, require treatment with retardants.

In connection with the intensive infection of winter rye with powdery mildew, especially on crowded plantings, it is necessary to observe the dynamics of the development of the disease and, with the appearance of its symptoms on the third leaf (2 or 3-percent development of the disease), to spray with one of the following fungicides: bayleton, topsin M or tilt. The application rate of the compound is 0.5 kg/hectare. If the supply of the compounds is not adequate, one should first spray those plantings that were treated with retardants.

The existing hydrothermal weather pattern is contributing to the development of septoria leaf spot and powdery mildew on wheat and therefore one should reserve tilt to protect it. With the appearance of spots on the fourth leaf, the winter wheat should be treated.

Netted leaf spot was noted on barley plantings of the varieties "zazerskiy-85," "roland" and "favorit," where seed not treated with baytan was used. The existing hydrothermal regime favors the development of the early epiphytotic spread of the disease.

Therefore, with the appearance of spots on the third or fourth leaf, counting from the top, during the period of tubing (formation of the second or third node), it is essential to treat with tilt or bayleton. In the heading phase,

the appearance of spots on the second leaf from the top must be a signal for treatment.

When the time of the treatment of winter grain crops with growth regulators coincides with the time of the application of fungicides, they can be used together in tank mixtures.

In most cases, the optimum time has come for the treatment of plantings of spring grain crops with herbicides. At the beginning of the work in the phase of three or four leaves, it is necessary to utilize the lower herbicide rates (whereas, for example, the recommended dose of 2M-4Kh is from 1.4 to 2.3 kg/hectare, one should apply 1.4 kg/hectare in this period). Ethers of 2,4-D are used when the temperature is below 15 degrees.

When the plantings are infested with persistent weeds (daisy, knotweed, Galium, spurry and others), it is essential to apply dialene, bazagran and 2M-4KhP. But when using dialene on barley, one must strictly observe the norm (no more than 1.8 kg/hectare), because an overdose can burn the leaves.

Apply dialene on spring grain crops with a rate of application not exceeding 1.75 liters/hectare in the phase of four leaves. The consumption of working liquid should be between 250 and 300 liters/hectare.

It is necessary to refrain from the application of dialene on oats as well as on barley of the "zazerskiy" variety. When there is a great deal of yellow and field thistle, it is recommended that lontrel (0.3 liters/hectare) be added to the herbicides 2M-4Kh, 2,4-D or bazagran.

In sowing meadow clover under spring grain crops, it is recommended that 2M-4Kh (1.0-1.4 kg/hectare), 2M-4KhM 80 percent r.p. (2.5-3.8 kg/hectare), or bazagran 48 percent (3-4 liters/hectare) be applied in the phase of the first tripartite leaf. It is better to apply a mixture of 2M-4KhM + bazagran (2 + 1.5-2.0 kg/hectare) or 2M-4Kh + bazagran (2 + 0.7).

Swedish flies may damage late plantings of barley and oats this year and therefore one should plan to combat them on fields planted in May.

When the time of the flight of insects coincides with the time of chemical weeding, one can combine the above-indicated herbicides with insecticides (metnyl parathion, Dipterex, phosphamide, phozalone). In the case of plantings of grain fodder mixtures (oats with vetch, oats with peas, and others), the chemical weeding is done with the herbicides:

peas and oats--2M-4KhM (2.5 kg/hectare in the phase of three to five pea leaves)

peas and barley--bazagran (3-4 liters/hectare), 2M-4Kh (0.6-0.7 kg/hectare) or 2M-4KhM (2-2.5 kg/hectare) or 2M-4Kh + 2M-4KhM (0.3-0.4 + 1.6-1.7 kg/hectare)

vetch and oats--prometrin (1.2-1.5 kg/hectare).

Disease and Pest Problems

Minsk SELSKAYA GAZETA in Russian 7 Jun 87 p 3

[Text] A complex situation has developed for the plantings of agricultural crops. Frequent rains and the high relative humidity of the air have caused the early appearance of powdery mildew on winter crops and a more active growth of weeds on plantings of barley and other crops. There was an intensive increase in disease during the last 5 days. Spots appeared on the third leaf from the top in thick plantings in practically all rayons of the republic and at the present time about 30 to 40 percent of the area of winter grain crops in Brest and Gomel oblasts are subject to treatment. It is 40 to 60 percent in Grodno, Minsk and Mogilev oblasts and up to 20 percent in Vitebsk Oblast. In individual rayons such as Nesvizhskiy, Lyubanskiy and Soligorskiy rayons, it is urgently necessary to treat more than 60 percent of the areas.

Based on the state of the plantings of rye, their treatment against powdery mildew is possible only with the help of aircraft, inasmuch as the plants reach a height of 70-80 centimeters and higher than that in the southern rayons. It is essential to accelerate the performance of protective work. It is necessary to use topsin M or bayleton against powdery mildew in a dose of a half kilogram per hectare.

Netted leaf spot has appeared on the plantings of barley in some fields in all oblasts. Fungicidal treatments are already necessary on individual plots in Borisovskiy and Kolmovichskiy rayons. Under the existing conditions on plots where there will be a strong development of disease, it is necessary to spray during earlier phases. It is essential, however, to treat the main plantings of barley with tilt or bayleton during the phase of the flag leaf and heading when disease spots appear on the second leaf.

The pace of weeding of spring grains declined in Minsk, Mogilev, Grodno and Vitebsk oblasts. In Uzdenskiy, Krupskiy, Borisovskiy, Orshanskiy, Dokshitskiy, Glubokskiy and other rayons, chemical weeding has been done on only 60-80 percent of sown areas, while the time for this work is passing. The reason for the lag is that not all of the equipment has been involved in the work and machine units are allowed to stand idle on days when the weather is good. It is urgently necessary to make use of all available equipment and the good weather and to begin two-shift work: in the morning until 11 o'clock and in the evening from 4 o'clock until sundown.

Because of the torrential rains, a crust formed on the soil of the beet plantings and this contributes to the development of root rot. The disease is especially dangerous on the heavy and poorly warmed soils in Vitebsk Oblast and the northern rayons of Grodno, Minsk and Mogilev oblasts. Beet root rot has already been discovered in Miorskiy and Borisovskiy rayons. To reduce the extent to which plants are infected by this disease, it is urgently necessary to loosen the soil and also to give the plants a supplementary feeding with nitrogen fertilizers.

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TECHNOLOGY FOR INCREASED FEED CROP PRODUCTION PROMOTED

Moscow AGITATOR in Russian No 12, Jun 87 pp 15-18

[Article by V. Onisovets: "Feed Procurement -- A Vital Concern"]

[Text] Agricultural communists and all animal husbandry and field crop husbandry workers are well aware that an intensification in the production of meat and milk and improvements in the supply of these products for the population are directly associated with a further increase in procurements and improvements in the quality of feed. This is quite proper. It is required by an instruction handed down by the party's central committee in which it calls for the extensive introduction of intensive methods into animal husbandry operations and for growth in the production of goods by the branch with no increase in the number of livestock. It is already possible today to discuss certain improvements in the return from feed. Their resources in public animal husbandry over the past 5 years increased by 9 percent and meat production increased by 17, milk -- by 12 and eggs by 11 percent.

During the 1983-1986 period, the increase in coarse and succulent feed, in a computation for feed units, amounted to 14 percent. The proportion of 1st class hay was raised by 25 percent and haylage -- by almost 20 percent. This made it possible, during the past wintering campaign, with the amount of feed available on the farms being comparatively the same as the previous year, to achieve an increase in output. The livestock and poultry purchases over a period of 4.5 months increased by 12 percent and milk by 6 percent. Each farm is not confronted by the task of not only continuing the present level during the summer period, but of achieving further growth in the output of the farms, obtaining as much meat and milk as possible and creating a reliable stockpile for the forthcoming 1987/88 wintering campaign.

The use of an all-round approach will aid in solving this task more successfully. It calls for improvements in organizing and stimulating labor, the extensive introduction of cost accounting and the collective contract, in combination with the mastering of progressive technologies. And further -- the use of the latest achievements of genetics, breeding and biotechnology for improving the pedigree and productive qualities of the herd. In the process, increased effectiveness in developing the branch will depend to a decisive degree upon raising the level and full value of livestock feeding operations.

It must be confessed that some farms, over an extended period of time, have failed to display proper concern for increasing the production of good hay, haylage, silage and root crops. Instead, they have attempted to cover their feed shortage through the use of concentrates, with use often being made of grain drawn from state resources. Today the situation is changing. Following the example of leading kolkhozes and sovkhoses, comprehensive programs for developing field and meadow feed production have been developed in practically all of the regions. On each farm, depending upon the specific conditions, the plans call for one and a half tons of hay, the same amount of haylage and 6-8 tons of silage to be procured per cow and also 1 ton of root crops for every thousand kilograms of milk.

On many farms throughout the country, the plans call for the feed yield per hectare of sowing to be increased to 40-45 quintals of feed units. Naturally, such productivity requires an increase in the level of agricultural practices, the introduction of intensive cultivation technologies and the selection, in conformity with the specific zonal conditions, of the most productive types of forage crops and grasses. In addition, there will be a requirement for raising the level of mechanization for all operations and for utilizing the achievements the chemical industry and biotechnology. Feed production must become specialized in nature on all of the farms.

Special importance is being attached to making good use of the time available and to conducting a thorough economic evaluation of the forage crops, taking into account their yields and the labor and monetary expenditures required for obtaining a quintal of nutrients and digestible protein. Much is being done in this regard. Thus, in recent years the farms of Kazakhstan, Siberia, the nonchernozem zone of the RSFSR, Belorussia and the Baltic republics have quite justifiably replaced a portion of their sowings of low yield annual grasses with grain forage crops that furnish higher feed yields per hectare. These crops are harvested during the stage of milk-wax and wax ripeness in the grain for the preparation of grain haylage, or as it is still being referred to, "monofeed."

The high effectiveness of grain haylage has been confirmed by the experience of many farms. At the Nazarovskiy Sovkhoz in Krasnoyarsk Kray, for example, such feed has for more than 20 years provided the basis for the rations for the dairy herd and young cattle stock during maturing and fattening. Full value feeding of the livestock, combined with improvements in the technology and breeding work, enabled the collective of this farm to raise the productivity of the cows by 1,000 kilograms over the past 4 years. In 1986, 4,400 kilograms of milk were obtained from one cow and the profitability was 147 percent. The delivery weight for one head of young cattle stock has reached more than 500 kilograms, with an expenditure of 8-9 quintals of feed units per quintal of weight increase.

Many farms in Siberia and Kazakhstan have successfully mastered the production technology for monofeed. In Koxchetav, Kustanay and Iselinograd oblasts, this literally made it possible to improve substantially all of the animal husbandry indicators in just 1-2 years.

The experience of many leading farms reveals that in any region of the country there are great opportunities for intensifying and raising the effectiveness of feed production. For example, the Ploskovskiy Sovkhoz in Brovarskiy Rayon in Kiev Oblast, which is located on sandy loam land, strengthened its feed base for animal husbandry considerably as a result of concern for raising the fertility of its land. The feed yield per hectare of sowing is 65-70 quintals of feed units. The average milk yield per cow here exceeded 6,000 kilograms.

The effectiveness of use of feed lands is increasing considerably in those areas where use is being made of intensive technologies for the cultivation of forage crops, in combination with progressive forms for organizing and stimulating labor -- collective and family contracts, cost accounting with the check system for controlling expenditures. In 1986, the principle of a collective contract was accepted by almost 90,000 feed procurement subunits and this year their number will increase considerably. As a rule, these collectives make better use of the equipment and land. For example, non-schedule teams at the Kherson Kolkhoz imeni Kirov in Belozerskiy Rayon are obtaining 2,000 or more quintals of fodder beets per hectare.

The so-called continuous contract is proving itself to be especially effective. Here the wages for feed procurement specialists and livestock breeders are directly dependent upon the quantity and quality of the livestock products sold to the state. At the Stavropol Kolos Kolkhoz, for example, this form of stimulation has improved sharply the indicators for milk production and sheep raising.

The modern economic mechanism in use in the rural areas is making it possible in all areas to disseminate the collective contract and cost accounting principles for use in feed production. However, despite the obvious advantages of this form for labor organization and wages, it is still being introduced into operations slowly or formally in a number of areas. And experience reveals that disruptions in the forage production line occur most often in those areas where progressive innovations are being ignored, where intensive technologies are doomed to oblivion and where the rights of a labor collective are limited. In particular, this fact should be taken into account on farms in the Turkmen and Dagestan ASSR's and in Pskov, Ryazan, Novosibirsk and Uralsk oblasts, where numerous problems developed last year in connection with the procurement of feed and where many of the farms entered the wintering period with extremely scanty supplies of forage and, as a result, they were unable to achieve the required degree of growth in the production of animal husbandry products. The quantity and quality indicators for feed procurement work were adversely affected by the excessive dragging out of the periods established for haying and haylage making and for ensiling the fodder bulk. In 1986, many kolkhozes and sovkhoses were late by 10-15 days in commencing their grass mowing work and instead of 10-12 days, this work lasted for 35-40 days. The harvesting of other forage crops was carried out over a period that was longer by a factor of 1.5-2 than the prescribed periods. And indeed the value of the feed, over a period of a week to a week and a half, decreases to one third of its overall nutritional value and to almost one half -- in terms of protein. These losses cannot be made up by an increase in the fodder bulk, as some farms hoped to do by relying upon obsolete views and traditions -- they

maintain that the grasses should be allowed to continue to grow and more feed will be obtained.

The task of the rural party aktiv and kolkhoz and sovkhos agitators, jointly with the specialists, consists of carrying out extensive explanatory work among the feed procurement brigades and teams. This work is carried out for the purpose of informing everyone that a delay in commencing the cutting down of grasses and the dragging out of the haying operations only serve to lower the quality of the feed and to bring about a loss on the order of at least one cutting of the grass. Such an additional cutting could provide the kolkhozes and sovkhoses with 12-15 million tons of hay.

Attention must also be drawn to the following fact. If farms are late in mowing their perennial grasses, then as a rule the corn for silage is late in being cut down and this also leads to a shortfall in the crop and a reduction in the quality of the feed.

Many shortcomings are still being tolerated in the preparation of haylage. They are occurring mainly in connection with failure to observe the requirements for the sun-drying, laying in and storage of haylage bulk. Some farms are generally not drying out their grasses to an optimum moisture content of 50-55 percent. In some areas, the green bulk of leguminous grasses is being laid away with a moisture content in excess of 75 percent. Instead of haylage, poor silage is being obtained.

A reliable method for raising the quality and increasing the nutritional value of feed -- the extensive introduction of progressive technologies for procuring, storing and utilizing the feed. The most effective method for protecting fodder nutrients is quite properly the artificial dehydration of grasses and the preparation of vitamin meal and grass cuttings. The average annual production of grass meal and other artificially dried green feeds has increased from 480,000 tons during the 8th Five-Year Plan to 7,035,000 tons during the 11th Five-Year Plan. During this present five-year plan, the procurements of this valuable feed must be increased to 10 million tons. This will make it possible to obtain up to one million tons of digestible protein and to balance in a better manner the vitamin structure of the feed rations. In the process, emphasis is quite properly placed upon increasing the production of grass cuttings, by means of which the specific fuel expenditures are decreased by almost twofold and a considerable increase is realized in the productivity of the drying units.

The quality of the feed procured is improved considerably during pressing and hay preparation using the forced ventilation method and also during the laying in of haylage and silage using chemical and biological preservatives.

The haying period is of short duration and success in carrying it out is dependent primarily upon the skilful organization of all operations and also upon the productive utilization of the feed harvesting equipment available on the farms. Despite the fact that the amount of equipment available to the farms for harvesting their grasses is increasing with each passing year, nevertheless the requirements for highly productive feed harvesting combines are not being satisfied fully. Thus special importance is being attached to

the timely preparation of each machine and each unit in the interest of ensuring a maximum return from their use.

There is still one other problem -- many haying sectors are still unsuitable for the use of technical equipment. If the grasses on unsuitable lands are to be harvested in a timely manner, all available resources must be mobilized, including horse-drawn mowing machines and manual cutting down and stacking of the grasses must be carried out by the personnel.

During the period devoted to haying operations, the ensiling of corn and the harvesting of mixtures of grain forage crops during milk-wax ripeness for monofeed, the leading farms mobilize all of their equipment and transport vehicles and carry out their work as rapidly as possible. This makes it possible to procure the feed in the required amounts and the proper quality.

Equally important is the need for ensuring that the feed is properly preserved. Over the past few years, the base for the storage of feed at kolkhozes and sovkhoses has become stronger. Last year alone, storehouses for 16.6 million cubic meters of space were placed in operation. Many farms carried out the construction of special facilities for hay on an extensive scale. Kolkhozes and sovkhoses in Belorussia and the Baltic republics satisfied almost completely their requirements for such facilities. The construction of facilities suitable for the drying out of feed is being carried out in an active manner in Moscow, Leningrad, Dnepropetrovsk, Kiev, Rovno and many other oblasts.

At the same time, from year to year the plans for building feed storehouses in Moldavia, Tajikistan, the Altay Kray and in Kurgan, Chita and a number of other oblasts are not being carried out. On those farms where there are no storehouses, use should be made of simple covered sheds or the hay, haylage and silage should be covered with a polymer film in order to reduce losses to a minimum.

A strengthening of the feed base is closely associated with improving the balance in the rations in terms of protein and other nutrients. The feed protein problem continues to remain acute. At the present time, one feed unit of the feed being used contains an average of only 96 grams of digestible protein and this results in an insufficient return from the feed in terms of animal husbandry products and in a considerable overexpenditure of feed, particularly grain. Owing to a shortage of protein raw materials, a considerable portion of the mixed feed and protein-vitamin additives being produced remains low in quality. More than one half of the forage grain at kolkhozes and sovkhoses is being fed to livestock in the absence of enrichment with protein raw materials. Taking into account the fact that the principal deficit of feed protein is associated with a shortage of plant protein, USSR Gosagroprom [State Agro-industrial Committee] and VASKhNIL [All-Union Academy of Agricultural Sciences imeni V.I. Lenin] developed and approved a special program for increasing its production in field crop husbandry during the 12th Five-Year Plan. Measures were defined for expanding considerably the cultivation of high protein crops at each kolkhoz and sovkhos, in a manner such that the animal husbandry requirements for plant protein will be satisfied completely by 1990.

In solving the feed protein problem, an increasing amount of importance is being attached to soybeans. Many years of experience in the cultivation of this crop have been accumulated at the kolkhozes Ukraina and imeni Tatarbunarskoye Vosstaniye in Odessa Oblast, imeni Lenin in Kakhovskiy Rayon in Kherson Oblast and Rossiya and Druzhba Narodov in the Crimean Oblast. They are obtaining 18-25 and even more than 30 quintals of soybeans per hectare over large areas.

Rape can be used for augmenting substantially the feed protein resources, including those used for balancing mixed feed in terms of protein. In Ivanovo Oblast, for example, winter rape has been cultivated for many years on an area of 4,000-5,000 hectares, with 16-20 quintals of seed being obtained per hectare and with the best farms obtaining more than 40 quintals during some years. Similar possibilities exist in Lvov, Rovno, Cherkassy and other oblasts in the Ukraine and yet only a few farms have commenced the cultivation of rape here. The same holds true for Belorussia and the Baltic republics, where this valuable crop is still being developed only timidly and where more emphasis is being placed upon the importing of protein raw materials.

Deserving of special emphasis is the need for accelerating the development of spring rape production. It is being cultivated effectively on a number of farms ranging from the Don and Volga regions to Siberia, the Urals and Kazakhstan. However, their experience is being disseminated very slowly. Only individual kolkhozes and sovkhoses are cultivating spring rape in Voronezh, Tambov, Moscow, Chelyabinsk, Omsk, Kustanay and other oblasts.

Why is it that some farms are obtaining fine yields of oil-bearing crops and satisfying fully their requirements for feed protein, while others are slow in solving this most important problem? Analysis reveals that here they are neglecting this work and are failing to master the technology for cultivating these crops and they are not training their personnel. As a result, owing to deviations from the agrotechnical requirements and a neglectful attitude towards the technology, miserly yields are often obtained during the very first year and subsequently arguments are sought which tend to underscore the unpromising nature of a particular protein crop. Such situations cannot be tolerated. The organs of agroprom [agro-industrial committee], jointly with the party organizations and relying upon the results of scientific studies and the experience of leading collectives, are obligated literally to open up the path for progressive technologies for the cultivation of peas, sunflowers, rape, soybeans and other high protein crops and to attach paramount importance in all areas to solving the feed protein problem.

In carrying out the program for increasing the production of feed protein, importance is attached to not wasting time and to achieving a substantial increase in the protein resources this year. The implementation of the measures planned for the intensive cultivation of high protein crops, in addition to expanding their sowing areas, must furnish an increase this year in excess of 4 million tons of pulse and approximately 2 million tons of oil-bearing crops. The quality of the coarse and succulent feeds being procured must be raised. The overall production of digestible protein of plant origin will be increased by 5 percent.

Large and as yet only weakly used reserves for strengthening the feed base for animal husbandry are to be found in improving and establishing proper order in the use of natural haying and pasture lands. The farms are obtaining on the average only 6-6.5 quintals of hay per hectare. At the same time, following radical improvements, such land in Georgia furnished the kolkhozes and sovkhozes with 22 quintals of hay in 1985, the Ukraine -- 23.6, Belorussia -- 32.2, Lithuania -- 38.1, Estonia -- 38.3 and in Azerbaijan -- 59.2 quintals. Even on the semi-desert feed lands of Kazakhstan and the republics of Central Asia, simple fencing, the undersowing of grasses and sub-shrub plants and applications of fertilizer top dressings are making it possible to increase by several times the fodder bulk yield per unit of space. This underscores the fact that the establishment of order in the handling of meadows and pastures, in all regions of the country, can provide a strong increase in the feed resources.

It should be stated directly that the land reclamation organizations which were tasked with radically improving the natural feed lands, and also the kolkhozes and sovkhozes, are tolerating unjustified sluggishness in carrying out this work. Moreover, the rates for the carrying out of this work are even declining and, as a result, only a small increase is taking place in the area of improved lands.

During the current five-year plan, the plans call for radical improvements to be carried out on 15 million hectares, such that by 1990 their area will be increased to 36 million hectares, approximately 1 million additional hectares of irrigated haying land will be created, the area of catchwork irrigation will be increased and 2.5 million hectares of cultivated pasture land will be established. This year it will be necessary to carry out radical improvements on an area of more than 3 million hectares of haying and pasture land, flood large areas of pasture land and carry out surface improvements on this land. In addition to the land reclamation specialists, all kolkhozes and sovkhozes having such land are enjoined to participate actively in carrying out this work.

The implementation of the measures planned for improving and raising the productivity of natural feed lands will create opportunities for increasing the production of hay and fodder on these lands by a factor of 1.3.

In the interest of utilizing more fully all available reserves for procuring additional feed, it will be necessary to organize the harvesting of grasses in forests, on water-logged lands and on other lands deemed unsuitable for the use of equipment, with use being made of the able-bodied rural population and specially created brigades and teams. In addition, work should be carried out on Saturdays and Sundays and involve the participation of industrial enterprises and municipal patronage organizations.

There are many sources available for augmenting the feed supplies. Importance is attached to placing all reserves in operation in a skilful and timely manner, to launching a socialist competition on an extensive scale and to carrying out persistent organizational and explanatory work. It is a matter of honor for all agricultural workers to ensure that animal husbandry is

supplied with adequate quantities of feed and to make a worthy contribution towards implementation of the USSR Food Program during the second year of the 12th Five-Year Plan.

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EFFECTIVE FEED QUALITY CONTROL SYSTEM NEEDED

Moscow SELSKAYA ZHIZN in Russian 7 Jun 87 p 1

[Article by N. Skorolupov: "State Acceptance on the Meadow"; first two paragraphs are SELSKAYA ZHIZN introduction]

[Text] The time has come to grow grain and mow grasses. The meadows of Kazakhstan and the republics of Central Asia and of many farms in Transcaucasia, the Ukraine and Krasnodar and Stavropol krais gladden one with rich herbage. There is the real possibility of establishing a year and a half reserve of feed on each farm section. The farmers of Siberia and the nonchernozem lands as well as all union republics have already begun to procure this feed.

In the decree recently passed by the CPSU Central Committee "On Significant Deficiencies in the Work of the Party, Soviet and Economic Authorities of the Lithuanian SSR and Odessa and Samarkand Oblasts to Increase the Production and to Raise the Quality of Feed for Animal Husbandry," it was acknowledged to be essential to establish an effective system of control over its quality, to involve agrochemical and veterinary laboratories in this, and to equip the farms with the necessary instruments.

"In essence, such a system is a unique state acceptance of the harvest of feed crops," said I.S. Shumilin, deputy director of the Central Institute for the Agrochemical Servicing of Agriculture. The high quality of feed is now the main reserve for increasing the productivity of livestock and raising the efficiency of animal husbandry. Last year, let us say, 18 to 20 million tons of feed units were lost because of omissions at the time of the mowing. They could have yielded as much as an additional 15 million tons of milk. Only 52 percent of the hay stored for the last wintering period of livestock was attributed to the first class, as was 46 percent of the silage, 34 percent of the haylage, and only 28 percent of vitamin herbal meal. At the same time in the Belorussian SSR, for example, 82 percent of the hay procured was first class. But only 39 percent of the hay on the farms of the Moldavian SSR was of high quality. That is very little. And such poor feed here reduces the milk productivity of each cow by more than 2 quintals.

What do the feed purchasing agents have to put an end to such wastefulness? About 10,500 laboratories serve kolkhozes and sovkhoses. They, of course, are

not enough. Whereas about 6,000 laboratories have been equipped directly on the farms of the RSFSR, there are fewer than 500 in the Ukraine. And there is not a single one in Kazakhstan, in the Transcaucasian republics and several other regions.

The experience of advanced collectives confirms once again that an abrupt turnaround is needed in the organization of effective quality control. Is that not the way it often is? Analysts are working well enough, as they say, during the intensive mowing time, knowing in advance that the results of their analyses will in any case gather dust in a kolkhoz or sovkhaz office. The main thing is to report in time.

Let us be fair. You cannot accuse the workers of many laboratories of inaction. Some of them can even be encountered on the meadows. But it may be that the restructuring in the organization of laboratory feed analyses is not limited to this. At best, the laboratory workers ascertain what feed is laid up in the storehouses and determine how much carotene and protein it contains. In other words, the inspectors appear in the role of recorders and observers. Their opinion has no influence on the choice of the technology for procurement and storage. Meanwhile, today it is important to manage the technological process of the procurement of feed relying on the operational and precise results of laboratory analyses. This is exactly how the collectives of many laboratories of Kuban are operating. The experienced specialists N.P. Uletova, R.P. Minina and others have become dependable helpers of feed purchasing agents.

In Kustanay Oblast, farmers show respect for the staff workers of the local chemical-applications station. Through their efforts, laboratories for the control of feed quality were equipped in each rayon. The people of Kustanay also were concerned about the personnel. Right there, at the chemical-applications station, they trained analytical laboratory workers and provided them with the necessary reagents. The result was not long in coming: 77 percent of the hay procured by the kolkhozes and sovkhazes in the oblast last year was accepted as first class.

But there are other examples. They obtained only 38 percent first-class hay in neighboring Aktyubinsk Oblast and 39 percent in Kokchetav Oblast. The figures for unclassified hay were 27 and 23 percent, respectively. What can you say, the underestimation of the importance of daily and operational control on the meadows is costly to stock breeders!

There are more farms every day in the country that have completed the first mowing. But by no means all of them were able to put good fodder in the storehouses. Thus, there was 20 percent less first-class haylage at the kolkhozes and sovkhazes of Kirghizia than this time last year; the feed procurers of Sokulukskiy Rayon laid up little more than half as much high-quality haylage. These and other alarming facts demonstrate convincingly that it is not enough to advocate good feed through words. The urgent task is to put higher demands on the personnel at all levels for the state of the work in feed production.

In some laboratories, there is still a shortage of trained personnel as well as of equipment, instruments and reagents. But something else is also true: the possibilities of the service established in the country for controlling the quality of feed--chemical-applications stations and interfarm laboratories--are still far from being fully utilized. They are still working without any special effort and continue to be satisfied with the role of recorders. But analyses carried out on time help not only animal specialists in the formulation of rations and economists in calculating the wage of feed procurers. In capable hands, a detailed analysis is a significant reserve for saving feed outlays. But how can one make this reserve work for the farm itself if the capacities of the country's laboratories permit one to check the quality of only one-third of all feed stocks?

As before, the staff members of agricultural research and educational institutions, experimental stations, interfarm mixed-feed and other enterprises having everything necessary for performing analyses are standing apart from the concerns of feed procurers. It seems that many of them do not intend to fulfill the order of the USSR Gosagroprom on supplemental measures to raise the quality of the feed being procured.

There are many examples of such sluggishness. Here is one of them. In contrast to past years, it has now been recognized as mandatory to determine the raw protein in feed. Stock breeders and specialists have no need to demonstrate the importance of this indicator. But how can it be determined if one cannot find the equipment for this?

The instrument of Serentyev is just the thing for the kolkhozes and sovkhoses. It makes it possible to determine the protein content in just 20 to 22 minutes from the moment of the arrival of the sample for analysis. It is made by the Pobeda Truda Plant in the Tatarskaya ASSR. But what is surprising is that only 100 sets are issued per year.

By the way, today there are about 300 kolkhoz and sovkhos laboratories working in Krasnodar Kray. This means that it will be good if the plant is able to supply only the people of Krasnodar with these instruments by the end of the five-year plan. But what about the other tens of thousands of farms?

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CENTRALIZED MILK TRANSPORT PROBLEMS EXAMINED

Moscow EKONOMICHESKAYA GAZETA in Russian No 26, Jun 87 p 11

[Article by V. Zarembo, first deputy chairman of Leningrad Goragroprom [City Agro-Industrial Committee]: "What is Delaying Centralized Pickup?"; first paragraph is source introduction]

[Text] There has been talk for a long time now about accepting livestock-farming products at the farms, and picking them up with the processing plants' transport. However, this problem is being resolved in an extremely unsatisfactory manner.

Leningrad dairy products plants, as some of the first in the country, have begun stocking up with milk partly in this way. However, we have not succeeded in shifting fully to this method. I shall tell you about the reasons a bit farther on, but right now I want to show that this method of accepting the product is worth "crossing swords" over.

Given good organization, it is profitable for both the stockpilers and the producers. The population, receiving fresh whole milk daily, also is interested in it. Leningrad residents, especially those who have small children, know well that they can buy whole milk early in the morning from small-capacity tank trucks right on the street.

However, this is just one situation supporting centralized pickup [tsentroyvoz]. There are also arguments calculated in figures that prove its advantages. Thus, with a total volume of more than 400,000 metric tons in centralized milk carriages, each metric ton's actual delivery cost amounts to 6.3 rubles today. But when the farms' transport is used, the delivery cost increases to 9.3 rubles. The plants reimburse only 5.3 of these rubles; that is, the sovkhozes [state farms] sustain a loss in the amount of 4 rubles on each metric ton. Using centralized pickup, the cost of carriages of the indicated amount of milk is equal to approximately 2.5 million rubles. If the same amount were carried by the farms' transport, the sum would exceed 3.8 million rubles. So centralized pickup's national economic effectiveness is equal to 1.3 million rubles per year just for our agro-industrial complex.

What explains such a difference between these two kinds of carriages? Even if we assume that the milk is picked up by identical milk carriers of model GAZ-53A [Gorkiy Motor Vehicle Plant model 53A] (This is the main kind of transport in the dairy products industry at present), it will be found that their load-capacity utilization factor equals 0.6 for the sovkhoses and 0.8 for the plants' motor pools. The average daily run of one motor vehicle is 114 kilometers for the farms, and 185 for the motor pools. Hence the production cost of 1 metric ton-kilometer is 21.3 kopecks at the sovkhoses, and less than 8 in the product users' motor pools.

Introduction of this method is accompanied by a marked increase in the raw material's and prepared products' quality. Production increases by a factor of three for one tank truck, and the sovkhoses are relieved of the necessity to divert significant material and labor resources to the transporting of milk.

There are also other promising trends that promote further reduction in transport expenses. These are same-trip deliveries of defatted milk, whey, and liquid whole-milk substitute to the sovkhoses in the milk processing plants' tank trucks. But even now, one still may observe the situation in which a plant's vehicle is going, empty, after milk, while a farm's tank truck, also empty, is moving in the opposite direction to it in order to be loaded with defatted milk at the combine.

Furthermore, the sovkhoses' drivers, as a rule, have more idle time. At present, regulations are in effect, under which the milk from each farm must be transported in a separate container, even though the raw material arriving from the different farms is combined in a single holding tank at the dairy products plant. This leads to significant reduction in the tank trucks' productivity, especially in the wintertime, when milk yields decline and the tank trucks are only partially loaded. Organizing route collection of milk from two or three farms in one container is not permitted.

One more problem: A great deal of time is spent on auxiliary operations. A truck is in motion for 50 to 55 minutes in all, while allowance is made for 1 hour and 45 minutes to carry out the loading and unloading work. According to existing regulations, an analysis of the milk is made twice: at the farm and, literally, an hour later at the plant. This causes both additional product losses and idle time for the trucks. If it were possible to limit ourselves to one analysis, or develop and introduce a high-speed method for determining the milk's fat content, a truck's operating speed, during the determination of which all idle time is taken into account, would increase.

These problems can be solved within the confines of the oblagroprom [oblast agro-industrial complex], having instructed and trained the drivers in the rules for accepting and turning in milk. Mainly because we, ourselves, are interested in high quality of the product being accepted, we also pay substantial sums to the farms for turning in cooled whole milk. In the past year alone, 8.161 million rubles were credited to the farms' accounts. The incentive to the stock farmers' labor manifested itself as an increase in the milk's fat content. Thus, whereas the fat content amounted to 3.64 percent in

1980, it was 3.75 percent last year. The amount of milk cooled to 10 degrees Celsius increased from 574,000 to 840,600 metric tons.

A driver, with whom a motor pool's administration has concluded a contract of full monetary responsibility for accepted products, accepts the milk at the farms. The driver receives additional pay of up to 30 percent of his wage rate for faultless execution of the acceptor's duties. Training of drivers in the rules for accepting the product and conducting analyses of it is conducted annually.

And yet, despite centralized pickup's obvious advantages, we have not succeeded in shifting fully to this progressive method, as I have already said above. Wherein lies the reason? As a check has shown, the measures intended for the 12th 5-Year Plan to switch the farms to centralized pickup are not being carried out. Too few refrigeration units and containers are being allotted to the farms for storing milk, and the laboratories on the farms are not being equipped. For example, the installation of 440 refrigeration units at the farms' acceptance points was envisaged by the current 5-year plan; that is, it would be necessary to introduce 85 units annually, whereas the actual capability turned out to be substantially less in 1986--18 in all.

At some sovkhoses there are not even any rigs for washing and steam cleaning tanks. As a result, they are deprived of the opportunity to receive the defatted milk being delivered by the plants' transport in centralized fashion, inasmuch as washing and steam cleaning are mandatory before filling the tanks with whole milk.

Naturally, the goragroprom is making every effort to expand the product's centralized pickup. However, there are problems that it cannot solve without the help of the republic's Gosagroprom. The main thing that worries us is the shortage of specialized motor transport. The "Lenmolprom" ["Leningrad Dairy Products Industry"] motor pool has 214 tank trucks, more than half of which are the small-tonnage ones--GAZ-53A. The overall load capacity of these constitutes 67 percent of that needed for complete transition to centralized milk pickup.

We think the motor vehicle industry is capable of providing the agro-industrial complex with more powerful vehicles equipped as tank trucks. In this regard, let us note that the production cost of carriages could be reduced if, instead of carburetor vehicles, vehicles of the KamAZ [Kamskiy Motor Vehicle Plant] type were to come to us. And, under Leningrad's circumstances, in which gas [not gasoline] filling stations are already in operation, converting the vehicles to this form of fuel would turn out to be a significant economy.

However, even the available motor transport very often stands idle because of the lack of spare parts, and especially batteries. The funds allocated by the RSFSR Gosagroprom meet only a third of our needs.

One more delaying factor is lack of the necessary equipment for the milk's initial processing. There are not enough containers of capacities from 4 to 25 metric tons for storing milk, refrigeration units of capacities from 40 to

200 kilocalories per hour, coolers of capacities from 3,000 to 10,000 liters per hour, or separators and milk cleaners of the same capacities. At many farms, there are not even any milk scales or dairy equipment. We are looking for ways to reduce the shortage in the indicated equipment, involving local industry in the problem's solution, and acquiring some things by import. However, on the whole, our farms are continuing to stay on "starvation rations."

It is thought that other regions are experiencing no fewer difficulties in this regard. The people of Leningrad, upon receiving the necessary equipment, are capable of completing the farms' transition to milk's acceptance at its production places as early as during the current year.

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CSO; 1824/322

TIMBER INDUSTRY CONTAMINATION OF LAKE LADOGA EXAMINED

Busygin on Ministry Action

Moscow SOVETSKAYA ROSSIYA in Russian 23 May 87 p 1

[Article by M. Busygin, minister of the Timber, Pulp and Paper, and Wood Processing Industry: "Lessons of Ladoga," published under the rubric: "Reply to Criticism"]

[Text] The USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry has carefully examined critical articles, published in the newspaper SOVETSKAYA ROSSIYA, on environmental protection problems in the Lake Ladoga basin.

In order to improve ecological conditions in the Lake Ladoga region, and taking into account the demands of environmental protection organs, an order was issued by the Ministry on 2 February 1987, to convert the Priozerskiy cellulose plant to wood-processing production output, to complete operations for the recultivation of Lake Drozdovo, to eliminate bark heaps, and [to effect] other environmental protection measures.

A draft decree for restructuring the Priozerskiy cellulose plant from analogous production organization to other Ministry operational enterprises, was prepared by the Ministry and coordinated with interested ministries and departments, and presented in March of 1987 to the USSR Gosplan. USSR Gosplan was commissioned by the USSR Council of Ministers to present the draft to the government.

Under these conditions we assume that it was possible to give the newspaper a response to all articles after the USSR Council of Ministers issued their decree. Apparently, it is impossible to consider such an argument well-founded. We have not adequately evaluated the entire poignancy of the problem which has come up regarding Ladoga, since the measures accepted by the Ministry have not been publicized.

Furthermore, as a whole the measures for the region have been fulfilled by the Ministry, in accordance with tasks of the USSR Council of Ministers decree of 7 February 1984 "Concerning additional measures for guaranteeing the protection and rational utilization of water and other natural resources of Ladoga, Onegh and Ilmen lake basins."

In the Syasskiy cellulose-paper combine a unit was put into operation for purifying the run-off water of cardboard-paper production, the aeration system was replaced in the aeration tanks and distributive canals of off-site purification installations, the model for pumping excessive mud slides into the primary settling tanks was activated and the experimental equipment for utilizing lignosulfonates was put into operation. In order to strengthen control over atmospheric condition in the towns of Sortavala, Kondopoga, Pitkyaranta and Priozersk, and the village of Lyaskelya, the Ministry adopted a decision to organize points of observation over the atmospheric contamination, for which the USSR Goskomgidromet [USSR State Committee for Hydrometeorology and Environmental Control] in 1987 allocated complete laboratories.

In agreement with the RSFSR Minvudkhoz [RSFSR Ministry of Land Reclamation and Water Resources], the Ministry approved a schedule for the fulfillment of measures concerning the complete suspension of sewage disposal at 30 enterprises located in the Lake Ladoga basin.

On the instruction of the USSR Council of Ministers of 2 March 1987, a complete construction program of environmental protection installations for the years 1988-1990 is being developed by USSR Gosstroy [USSR State Committee for Construction Affairs] and USSR Gosplan, with the participation of both the USSR and RSFSR Minvudkhoz as well as other interested ministries and departments.

The problems of improving environmental protection activity at cellulose-paper industry enterprises, including those located in the Ladoga region, were reviewed on 27 April 87 in the Ministry's Collegium. Their decisions are under constant scrutiny.

Leningrad Oblast Measures

Moscow SOVETSKAYA ROSSIYA in Russian 4 Jun 87 p 1

[Article by R. Danilina, deputy chairman, Leningrad Oblispolkom: "Lessons of Ladoga," published under the rubric: "Reply to Criticism"]

[Text] The Leningrad Oblispolkom has repeatedly posed questions about speeding up construction of effective environmental-protection equipment in enterprises of the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, which are located in the Lake Ladoga area, particularly in the Priozerskiy cellulose plant.

The protection of Lake Ladoga was discussed at the Presidium of the USSR Council of Ministers, by the Presidium commissions of the USSR and RSFSR Councils of Ministers for environmental protection and efficient use of natural resources, in the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, and at meetings of the oblispolkom. As a result of urgent demands of the Party, soviet organs of Leningrad Oblast, the press, and with the active assistance of the Leningrad city and Oblast population, the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry in February of 1987 adopted a decision on

converting the Priozerskiy cellulose plant to wood-processing and furniture production output and implementing environmental protection measures. A decision of the matter provided for the reassignment of factory workers to other enterprises.

An outside commission, including representatives of the Leningrad Obkom, the oblispolkom, the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, the Priozerskiy Gorkom and the gorispolkom, and the state environmental protection agencies conducted a meeting of the labor collective of the Priozerskiy cellulose plant on familiarization with a decision adopted by the USSR Ministry of the Timber, Pulp and Paper, and Wood Processing Industry, concerning restructuring of the plant.

The oblispolkom developed and presented to the USSR Council of Ministers supplementary proposals to the draft decree on restructuring the Priozerskiy plant, and required the Ministry to speed up the decision of urgent matters, which would provide for a draft and approval of draft estimate documentation on conversion of the plant, construction of unified purification systems for industrial and household waste sewage of the plant and town, and measures for the recultivation of Lake Drozdovo and Shchuchiy Inlet [zaliv].

The oblispolkom presented the proposal to USSR Gosplan on removing the plant's capacity for viscose cellulose and other production output at the enterprise, and also on the insertion of technical-economic indicators into the 1987 plan and subsequent five-year plans, in accordance with operational capabilities of the plant.

For the purpose of guaranteeing the building of sewage purification systems in the town of Priozersk, the oblispolkom decided to allot land strips for the planning and building of the purification systems. It was decided that the consumer would be the All-Union Industrial Association "Sevzapmebel," the general designer, the "Giprodrrev" institute and the GPI [State Design Institute] "Lenvodokanalproyekt," and the construction organization, "Glavzapstroy."

Dates for the design and building of the purification systems have been determined. Implementation of the first unit of the purification system in the town of Priozersk is planned for the first half of 1988. According to plan, the city water purification system, which will provide for quality improvement of drinking water, will become operational by July 1987.

Managers of the Priozerskiy cellulose plant, who are guilty of red tape and failure to take effective measures in restructuring the plant, were called to strict party accountability.

The oblispolkom is implementing control over the unconditional fulfillment of all environmental protection measures in the town of Priozersk.

MODEL CONSUMER SERVICES IN SARATOV OBLAST VIEWED

Moscow PRAVDA in Russian 2 Jun 87 p 2

[Article by Special PRAVDA Correspondents D. Valovoy and A. Vorotnikov: "The Arbat in Saratov"; first two paragraphs are source introduction]

[Text] Saratov Oblast--When on the first evening our hospitable hosts took us, the participants of the zonal conference in Saratov, the PRAVDA staff correspondents of the Volga and Ural areas, with pride through their Arbat, we all came to the same opinion: This is a Potemkin village! This was not the first time we had visited showplace enterprises, sovkhoses, and social and cultural facilities set up especially to impress delegations and guest. It seemed that we were looking at the same thing at the Saratov Arbat: a street free of motor vehicles lined with rows of highly diverse light food and drink bars offering a wide selection of meals, pastries, juices, ice cream, and, most importantly, plenty of room for the customers.

The hosts and the local PRAVDA correspondent in relating that all this is indeed genuine, told us that the Arbat is not an exception, that it is becoming a tradition of service for Saratov residents. Then the conference participants split into two groups, one going on a guided tour, the other "on their own." Later they compared notes: the Saratov people are not only not lagging behind in their reconstruction of the social sector, but in some respects are leading the production sector. They are working imaginatively, not for the sake of appearance, but for the people. They are doing this in the workplace and where they live, in trade and in the service sector.

At Work

While meeting with workers on one occasion, CPSU Central Committee General Secretary M. S. Gorbachev said: "If economic managers forget the social sector and relegate it to a position of unimportance, I can tell you that our plans will be doomed. The newest assets, computer-driven manufacturing, robotized processes, processing centers featuring numerical program control -- all this will be dead."

The above words are very much to the point relative to this problem, which the Saratov people are working on resolutely. Indeed, how can there be talk of more rapid progress and of reconstruction if we do not put first things first: the interests of the working man, his needs, his requirements? An enterprise cannot be a leader if it cannot offer a person a place to wash, change his clothes, eat a tasty meal, and obtain other personal services.

Let us consider agricultural production. After the April (1985) Plenum of the CPSU Central Committee, many sovkhoses and kolkhozes took positive action to build residential housing using their own resources, modernize settlements, build roads, provide leisure time facilities for young people; there is no problem finding personnel willing to take charge of activities. People respond enthusiastically to this. They have no need to look to the city, since everything they need is available in their stores, even on the farms; conditions in the cattle breeder's home are such that other enterprises are inspired. Creation of the cattle breeder's home, as we know, is practicable, fast, and necessary in the extreme.

For this reason, the oblast started a fast-paced program of creating social and personal service complexes in all facilities, on all farms. About 1,000 of these complexes will be built by the time of the 70th anniversary of the October Revolution. Two hundred have already been set up.

And so we arrived at one of them -- the cattle breeder's home at the Engelskiy sovkhos. We saw high-quality red brick buildings nestled among green trees. We were given a warm welcome by the woman in charge -- medical worker Lyubov Sergeyevna Mayorova. The shift was changing as we were inspecting the tastefully finished sitting room, dispensary, shower rooms, sauna, reading room, hairdresser shop, and small store. The building became full of lively chatter: automatic milking operators, fodder workers, fitters, and tractor operators had arrived. The section numbers about 200 people.

Milkmaids A. Popova, Ye. Sunyakina, and V. Loginova vied with each other in telling us that:

"There is a wide selection of various goods in the small store. We also place orders for footwear and school uniforms for small children."

"A dental assistant visits us three times a week."

"A person from the tailor shop is always present to accept orders."

"We have a stress relaxation room. All you have to do is spend some time there and your tiredness disappears."

As we listened we thought:

"A genuine concern for people. And was it not this concern which improved greatly the personnel turnover situation and brought about consistently high milk yields, and made it possible not only to accomplish cattle breeding plans regularly, but actually become a leader among other Engelskiy rayon farms? As we can see, everyday life and production are one."

The initiative of the Saratov people is gaining momentum. But it is also giving rise to a number of problems. Limitations are imposed by the stringent controls over disbursement of monies to local soviets for use in social, cultural, and personal service and capital construction. For some reason, the work of medical personnel is not officially recognized. Kolkhozes and sovkhozes are trying aggressively to hire these personnel to live in the cattle breeder homes at the expense of their own funds. Incidentally, there is an acute shortage of these specialists, especially stomatologists. Numerous requests made of the RSFSR Ministry of Health to organize a stomatological department with the Saratov Medical Institute as a basis have so far been unsuccessful. Farms already have a need for their own architects. In a word, the operations and experience of reconstructing rural areas are presenting the RSFSR Sovmin [Council of Ministers], Rasagroprom [Republic Agroindustrial Committee (RSFSR)], and the RSFSR Ministry of Health with specific problems. And they must be resolved.

The changes occurring in rural areas are being felt more deeply as time goes on. One of the consequences of squarely facing the social needs and requiring a resolution of production and everyday problems -- the creation of the cattle breeder's homes of which we speak -- is seen in the results attained by applying principles of collectivism and self-management. It is these principles which are responsible for the annual 10 percent increase in oblast milk and meat production.

In industry the growth rate is noticeably lower -- 6.6 percent for last year, two-tenths lower for the first quarter of this year. Even though there has been noticeable improvement relative to the last five-year plan. But even that is not satisfactory, of course. The CPSU obkom and local soviets see a real possibility of increasing the growth in the next 2 to 3 years on the basis of accelerating social progress.

The decision has been made that brigades, sections and shops should have a variety of services by the time of the 70th anniversary of the October Revolution. That is, people should be able to have their everyday needs satisfied without having to go outside the boundaries of the enterprise. This has already been accomplished in the Saratov bearing plant, the Serp i Molot, in the electric machinery association, and in many others.

Interesting experience is being accumulated in the town of Engels. On the basis of Labor Day founded there, there is a monthly review of progress made

by the anniversary competition for outstanding production style. The review is made not via conferences, but by visiting the particular facility by the aktiv.

One of the places on the list of Labor Day visits is the construction combine. A complex of personal services and conveniences is available for the people who work there: a medical station, cafeteria, store, shower rooms and a sauna.

In a word, there was much to see for the directors, party and trade union workers. Such visible progress cuts the ground from under the feet of those who want to sit out and avoid participation in the resolution of urgent social and personal needs of the collectives.

...And After Work

The work had come to an end. Studies in the VUZ's and tekhnikums were over for the day, and the doors of institutions were closed. Where did the people go? What interests did they pursue after work? What did they do? How did they spend their free time?

Let us be frank: in the past the local authorities were not particularly concerned with such questions. Here also the main thing was to satisfy an official requirement for completion and let the matter go at that, by accomplishing the norm set for organizing social and cultural facilities without regard for acceptance by the people. About 20 years ago the operating system of commercial and personal service enterprises was changed in our country -- they started to close on non-working days. This was ostensibly done for the benefit of the people, in that a day off from work was to be spent resting, not walking around stores and shops. The trouble here was the fact that the people's feeling about this was not solicited. Our people are busy: there is work; study on top of work; attending the theater or stadium; reading a book. And what about all the time spent bringing up children? When are they supposed to run to the store on work days? It is better for them to find some time for this on their days off from work.

The above was about how thousands of Saratov residents answered the question posed in the oblast newspaper KOMMUNIST, in which the editors asked their readers point-blank: What is the best way commercial and personal service enterprises can organize their work?

The local authorities responded to the survey results in a responsible manner and in the spirit of the times. People have a need for commercial, public feeding and personal service enterprises to remain open during evening hours and on days when they are off from work. Now, of 1,163 oblast stores, 608 remain open until 8 in the evening. The number of stores with extended business hours has been enlarged to 100. More than 85 percent of all stores selling manufactured goods have Sunday hours. Almost one-third of public feeding enterprises have adapted to the change.

As a rule, once or twice a month the streets of Saratov display red, orange, and blue tents and awnings. There is music, laughter and joking. Everywhere

there is brisk trade: in fruits and vegetables; sweets and spices; clothing and footwear; rugs and decorative articles. It is hard to stay home on such a day, for the city is having a fair, a year-round event, which has become firmly entrenched in the life of Volga residents.

The oblast center has become an inspiration for residents of Engels, Volsk, Balashov, and other cities.

After each fair, the results are reviewed by an organizational committee, with every participating collective represented. The best collectives are awarded prizes and certificates. Taken into account are: economic effectiveness; novelty and originality of pavilion layout; performance of salespeople; goods selection; quality of service.

What about leisure time activities of Saratov residents? Here also there is a special program based on the recognized need for combatting drunkenness and fostering healthy social relationships and improving their quality. The program has the purpose of bringing people out into the streets, squares and parks, and providing for them a complex of possibilities for good rest and interesting social contacts. We are gladdened by the persistence displayed in making this fast-paced program a reality. In the last 2 years, the face of many parts of the oblast center and of other cities has changed. In this time, more than 100 light food bars have been opened in Saratov alone. In the oblast, there are more than 250 of them.

An example of the above is the social center located in the Prospekt imeni S. M. Kirov. Here there are three moving picture theaters; a stadium; 41 retail sales, public feeding and personal service enterprises; 30 winter and summer type food cafes offering alcohol-free drinks and seating 1,500 customers, equipped with television sets and tape recorders. Two of them have recently opened video halls showing video movies. Three cafes have electronic games. The Vstrecha cafe caters to literature and poetry enthusiasts; the Ekspress, to devotees of the circus; the Sadko, to young families. The Russkiye Uzory restaurant, offering alcohol-free beverages, provides a discotheque for young people and facilities for celebrating family occasions. In Saratov there are more than 60 amateur associations organized as cafes serving no alcoholic beverages. They are set up according to interests and are frequented by people of all ages and professions.

Such an approach gives rise to many problems, of course. Thus, local councils find some money for providing the facilities in resources available to enterprises. There is a dichotomy here: sometimes there is money, other times there is none given. It is obviously time to systematize and legitimate availability of monies from the budgets of local councils. These funds were not made available in the past. But now the local situation is changing and the problem is more pressing.

The situation at enterprises is irregular. Up to the present time they have not been provided on a steady basis with funds from profits to be used for social and cultural needs. Here as before voluntarism is in full swing. The result is that in many Saratov enterprises the amounts of money set aside from

profits for social and cultural needs is being reduced. This is having a negative effect on social development plans.

The Saratov people would also like to appeal to the USSR Ministry of Trade, for the beautiful cafes are often not provided the equipment they need to serve people quickly and conveniently.

We must say that everything that is being done to transform the social sector in Saratov Oblast is only the beginning of a great and purposeful task. The job is being made easier by the fact that wide strata of Saratov residents are the movers and creators. Their opinion is of decisive importance in all areas of reconstruction, in which they are the most active participants.

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CSO: 1827/94

CEMA COOPERATION IN EXPLOITING USSR FUEL RESOURCES

Moscow STROITELSTVO TRUBOPROVODOV in Russian No 5, May 87 pp 1-6

[Article by S. K. Arakelyan, deputy minister for construction of enterprises of the oil and gas industry: "Joint Development by CEMA Member Countries of Fuel-Energy Resources in the USSR"]

[Text] An important new step has been taken in the development of economic, scientific, and technical cooperation among the countries of the socialist commonwealth.

The common efforts of the CEMA member countries are implementing the long-term strategy that was worked out at the recently held congresses of the communist and workers' parties of these countries. At its base is the concept of accelerating socioeconomic development. It provides for overcoming accumulated elements of stagnation and inertia, a more vigorous and innovative approach to problems that have developed, reduction in the time needed to perform assignments, and an orientation toward in-depth and progressive changes in all areas of life.

The range of problems and issues that concern the workers of our fraternal countries is broad and diverse. The objective capabilities inherent in the very nature of socialism ensure its undoubted pre-eminence in all avenues of competition between the two social systems.

It is self-evident that our capabilities and reserves are not automatically implemented. To what degree and how effectively they are utilized depends on us and on our daily efforts. That is why we must continually seek new ways of developing socialist economic integration and vigorously utilize experience accumulated in this area. No matter how substantial the economic achievements of our commonwealth, we always have unsolved problems on the agenda. And this is understandable: we are proceeding along a new and unexplored path to build a new world. We are striving so that our tomorrow will be better than our today.

The strength of the socialist commonwealth lies in the unity and solidarity of the countries that make it up. By their deeds the CEMA member countries are demonstrating to the whole world their unity and solidarity and their undevi-

ating efforts not only to strengthen and intensify the course adopted to develop socialist economic integration, but also to develop a common strategy of the economic development of our fraternal countries with due consideration for foreign and domestic conditions. Clear evidence of this is the Comprehensive Program for the Scientific and Technical Development of the CEMA Member Countries, which takes in the period up to the end of the present century.

It would be hard to over-estimate the efforts that the commonwealth countries have undertaken to reliably ensure themselves of fuel-energy resources. In this connection it is appropriate to make the following comparison: where the countries that make up the European Economic Community depend on imports from third countries for half their fuel, the socialist commonwealth satisfies 90-95 percent of its requirements both for energy resources and for other vitally important types of raw materials.

We possess a common weapon of astonishing power -- the experience of jointly solving current problems. Figuratively speaking, it is no exaggeration to say that we have gone through a university of joint work and close cooperation to build fuel-energy facilities in the USSR. In the 1970s the right-of-way for the Soyuz pipeline from Orenburg to Uzhgorod, which was built on an integrated base, was constructed in record time, thanks to socialist cooperation, mutual and fraternal assistance, and continual exchange of experience. In this construction project national duty and responsibility were raised to the level of international achievement.

From year to year the Soyuz baton has been passed on to other energy construction projects. And international socialist cooperation remains the reliable and tested means of successfully solving the large-scale problems common to all CEMA member countries. The main attention of its participants is concentrated on further improving the efficiency and quality of work, saving on materiel and labor resources in every way, successful implementation of the construction program, and rapid bringing in of new capacities for the oil and gas industry.

The process of competition develops comradely cooperation and it teaches and incorporates the partners' experience of labor competition in the field of equipment and technology, organizing labor and management, solving socioeconomic problems, indoctrinating people with a spirit of socialist internationalism, and cementing fraternal ties and friendship between the collectives of the construction enterprises of the oil and gas sectors of the national economies of the CEMA member countries.

In mid-August 1986 a brigade consisting of the best welders of a GDR construction group welded the first seam on the right-of-way of the international gas pipeline from Yamburg to the western border of the USSR. This is one of the largest CEMA construction projects in the 12th Five-Year Plan and six socialist countries are taking part in it -- the USSR, Bulgaria, Hungary, the GDR, Poland, and Czechoslovakia.

Right behind their Soviet colleagues, GDR construction workers have started work in the area of the Western Urals and in Perm Oblast.

A month later near the Trans-Carpathian village of Patskanevo specialists from the CSSR made their first weld on the future pipeline that originates in Yamburg. Construction workers from Poland soon started welding.

These are momentous events in this very large-scale integrated construction project. Beginnings like this have become traditional. They are written in golden letters in our common book of friendship.

Work is in progress on major construction projects at the Tengiz, Sovetabad, and Karachaganak fields, where our friends are also working.

Under intergovernmental agreements by contract organizations of the European CEMA member countries by the end of this five-year plan more than 2,600 km of gas pipeline are to be built and 55 compressor plants together with housing and socio-cultural facilities. Agreement has been reached on the participation of organizations of the socialist countries in setting up a number of facilities for the industrial base of Minneftegazstroy [Ministry of Construction of Petroleum and Gas Industry Facilities].

The total volume of construction and installation work at these facilities for the five-year period will amount to more than 3 billion rubles. Taking part in their development will be the largest contingent of the working class in all the many years in the history of our commonwealth -- an army of remarkable specialists.

The very important construction projects of the current five-year plan, like all previous similar ones, are good class conditioning. We have seen with our own eyes that the key to overall success is comradely competition, a high degree of organization, worker enthusiasm, mutual support and assistance, and continual exchange of experience. This will make it possible to take a major step on the path of the further political and technical growth of the European CEMA member countries.

We are internationalists and all our experience is valuable capital which we consider our common achievement. There is every reason to think that this achievement will grow more important day by day.

Under the plans for cooperation between the USSR and the GDR to develop the Yamburg gas field and to construct the trunk gas pipeline from Yamburg to the western border of the USSR and other facilities of the USSR's gas industry GDR contract organizations are to construct 600 km of the line portion; 20 compressor plants with living facilities on the main gas trunklines of the 12th Five-Year Plan from Yamburg to the western border, from Yamburg to Tula I and II, and from Yamburg to the Volga region; a plant in Tambov Oblast to repair Tatra cars; and housing and sociocultural facilities. Overall for the facilities of the USSR's gas industry the German comrades are to accomplish construction and installation work in the amount of 855 million rubles, which is three times more than previously.

In 1986 GDR contract organizations successfully implemented their construction program. They completed construction of a 90-km sector of the Yamburg-Yelets-I gas pipeline, the final sector of the Yelets-Serpukhov gas pipeline, and put into service the Gornozavodskaya, Staroyuryevskaya, and Kungurskaya compressor plants on the Yamburg-Yelets-I gas trunkline and the Ordinskaya compressor plant on the Urengoy-Tsentral-II gas pipeline. Ahead of schedule the German workers built and put into service housing and domestic services facilities. This was a worthy contribution of our German colleagues to our common store of labor experience.

Claus Zimmer, the chief director of the General Direction in Perm Oblast, deserves the high award of Hero of Labor of the GDR. We hope that in these years other colleagues of his will stand in the ranks of Heroes of Labor. For that there is a broad field of action open to them.

German construction workers are taking an active part in international socialist competition and on the results of this the construction workers of the line portion and of housing and sociocultural facilities based in Perm Oblast were declared the winners. On the base of the Agreement on Cooperation Between the Union of Free German Youth and the Leninist Komsomol competitions and an exchange of work experience are under way. The "Tomorrow's Skilled Workers" competition has flowed into the broad movement of young German construction workers. More than half of these construction workers are taking part in the innovators' movement.

The collectives of the Energopol General Direction for construction of power facilities in the USSR is successfully participating in international competition. Workers and specialists from the Polish People's Republic have laid ahead of schedule the line portion of the Kursk-Kiev gas trunk pipeline, which is 1,220 mm in diameter and 120 km long and they have erected a compressor plant in Romny, five multi-story housing units, a boiler house, an outpatient clinic, and a kindergarten.

The USSR and Poland have many years of economic ties from building facilities of the gas and oil industry. Among the major oil facilities built by Polish construction workers during the many years of joint work are the Polotsk-Birzhay-Mazheykyay oil pipeline, four oil pumping plants, and the end point for the arrival of oil in Mazheykyay; among the gas construction projects are a 356-km sector of the Urengoy-Pomary-Uzhgorod export trunkline and other important facilities.

The brigades of construction and installation workers from Energopol considerably accelerated putting fuel and energy facilities into service. An example of this is the ahead-of-schedule construction in 1985 of the gas pipeline leading from Kobrin via Brest to Warsaw.

In the 12th Five-Year Plan Polish construction and installation organizations are to carry out operations in the Soviet Union amounting to more than 400 million convertible rubles. These are primarily the construction of a sector more than 360 km long of the gas trunkline from Yamburg to the western border

of the USSR, and facilities of the gas industry in Brest, Kharkov, and Ivano-Frankovsk oblasts. Provision has been made to construct more than 10 enterprises, including an industrial base for the manufacture of block-assembly components for housing and sociocultural facilities in Kaluga Oblast, plants for large-panel housing, reinforced concrete items, and metal components, and a plant to produce specialized machinery in Neftekamsk. In a word, the volume is substantial, but life has demonstrated that our Polish friends are up to it.

Under the plans for cooperation between the USSR and the CSSR the Czechoslovak side is to carry out construction and installation amounting to 895 million convertible rubles.

The CSSR sector on the line portion of the gas pipeline from Yamburg to the western border of the USSR at Uzhgorod via Karpaty is 360 km long. Here, along with pipelaying, the Czechoslovak construction workers have been assigned to set up electrochemical protection, to install the line's telemechanics, and to lay communications links. Furthermore, it is planned to construct eight compressor plants, including those on the gas pipelines from Yamburg to the western border of the USSR and from Yamburg to Tula-II, together with facilities for housing and cultural-domestic purposes, and industrial bases for the gas industry at the Karachaganak field. The Czechoslovak association Tranzitnyy Plinovod is specializing in erecting large construction complexes intended for the repair and reconditioning of large-unit-capacity gas turbines and compressors and other intricate equipment for the gas industry. Thanks to their efforts, knowledge, and experience a plant for the repair of technological equipment costing more than 20 million rubles has been built and is in operation in Kamyshin in Volgograd Oblast. In Kamyshin the Czechoslovak specialists have put many housing units into service, and in the coming years the total area of housing built by construction workers from Czechoslovakia will reach 80,000 m². And all this will be done together with facilities for public health and education.

Czechoslovak experience in erecting housing and sociocultural facilities is valuable and instructive. In the immediate area of construction specialists from the CSSR have set up a large-block housing construction plant that has produced a major economic effect -- it has considerably lightened the burden on rail transport, sharply reduced shipping costs, and thereby ensured high production indicators.

Firm ties and working relationships have been established between Czechoslovak construction workers and local party, soviet, and economic agencies, which are typified by genuine international mutual assistance and economic aid.

By 1991 Bulgarian construction organizations are to carry out a whole range of construction and installation work in the USSR to build facilities of the gas industry and the construction industry, amounting to a sum on the order of 600 million convertible rubles.

The main forces of construction workers from Bulgaria will concentrate on building major oil and gas facilities in the Ukraine, housing construction combines, and equipment repair plants. They are to perform large amounts of work on the construction of the Novokhybyshev insulating materials plant and facilities for housing and for cultural and domestic purposes.

The Bulgarian construction workers have acquitted themselves well in building facilities in various regions of the Soviet Union -- Tyumen Oblast, Central Asia, the Urals, the Western Ukraine, the Volga region, and the Northern Caucasus. They have successfully developed and widely employed the progressive expeditionary-temporary work force method.

To propagandize the achievements of the best production and construction organizations of Bulgaria meetings, seminars, and get-togethers have been held with leading workers and mentors. The principal topics are ways of improving the quality of construction and installation work and ensuring work safety and sanitation. Organizations of the Association of Bulgarian-Soviet Friendship are in active operation in construction work. The museums of Bukhara and Nebit Dag have set up "Bulgarian Corners."

Thousands of young Bulgarian construction workers have undergone instruction in Soviet training-course combines. Here they have obtained two or more construction specialties and improved their professional standing.

Bulgarian construction groups devote much attention to dormitories and youth recreation centers, libraries, radio centers, and collectives for independent art work and amateurs of various types of sports. In the dining halls dishes are prepared from recipes of Bulgarian national cuisine. With the cooperation of trade union organizations lunches have been arranged in dormitory buffets. Where necessary, problems of delivering hot food to construction sites have been solved.

The total volume of construction and installation work by Hungarian construction workers in the five-year plan amounts to 758 million convertible rubles, of which 260 million rubles are for building oil and gas refining facilities at the Tengiz oil and gas field.

Construction organizations of the Socialist Republic of Romania are to perform a large volume of work to build facilities at the Sovetabad field. Among the priority construction projects are an industrial base, housing, and facilities for social, cultural, and domestic purposes in Serakhs, a plant for repairing construction machinery and motor vehicles in Kara-Bat, and other important facilities.

The construction workers of Hungary and Romania have also accumulated vast experience in building international facilities. Their contribution has been substantial to building up cooperation between our fraternal countries, which are firmly and unswervingly implementing Lenin's prediction that the "new socialist structure" would be built by their mutual efforts. This is what internationalism is in deed.

Implementing the strategy of socialist economy developed by the 27th CPSU Congress and the succeeding congresses of the fraternal parties of the commonwealth countries, the collectives of construction workers of the CEMA members are constantly improving international competition so as to multiply labor successes in the construction of fuel and energy facilities in the USSR day by day with the aid of this powerful lever.

Today the tasks of the collective of Glavinterneftegazstroy [not further identified] and its territorial subdivisions have considerably increased. Their obligation is day-to-day coordination in the course of international socialist competition and assistance in ideological-indoctrination and mass-cultural work to the organizations of the countries participating in construction work.

In conformity with intergovernmental agreements we must ensure at a high level the steady delivery of Soviet and national publications to the personnel of construction groups and systematically hold various cultural meetings and sports contests.

Together with the departments of the Union of Soviet Friendship Societies international friendship clubs have been organized at construction sectors, where TASS traveling photo exhibits have been held and the holidays of the Soviet government and the national and government holidays of the countries participating in construction work are celebrated. In 1986 alone there were held more than 400 lectures and talks and about 600 trips and almost 340 concerts were given, including 150 with the participation of foreign performers. There were 50,000 people who took part in more than 2,000 cultural trips to theaters and cinemas. We should not be complacent about these inspiring figures. We must utilize all opportunities available to us so that the free time of our friends from the socialist countries will be pleasant and useful, so that their well organized leisure time will make their lives interesting, and so that it will help them to work productively and to learn more about our country.

It is clear that the times of extensive growth are a thing of the past. Opportunities to increase the production of raw materials and energy have declined and the influx of the working force decreases year by year. This is the reason for the enormous role allotted to problems of intensification. This is a matter of comprehensive intensification on both national and international scales. This is why the "motor" of economic growth, including socialist integration, has switched to the intensive mode.

Much hard work remains for further improvement in the quality of the construction product. In fact, to solve the problem of quality is also to solve the problem of quantity and this is the reliable way of more completely satisfying the requirements of our country and the way to eliminate shortages. One of our urgent tasks is the rational utilization of raw materials and energy. The consumption of primary energy resources in the European CEMA countries is still about 35-40 percent higher than in the countries of the Common Market.

That is why we need close cooperation in implementing resource-saving technology and exchange of experience on savings in raw materials and other materials.

International socialist competition must be targeted at these and other important aspects of our cooperation.

We must therefore always keep in mind and put into practice Lenin's principles of labor competition and rivalry: comparability of work results, opportunity to repeat advanced experience, and extensive publicity.

The restructuring that started in April 1985 calls for an innovative and genuinely revolutionary approach to the solution of economic and social problems. The Soviet people must double the country's economic might and solve a whole array of sociocultural problems. The same grandiose tasks are also facing the workers of the countries of the socialist commonwealth. These problems can be solved only with a creative approach to labor and a responsible attitude toward an assigned task.

This year is the year of the 70th anniversary of the Great October Socialist Revolution. The collectives of the CEMA member countries are vigorously entering into preparations for this momentous historical date and in honor of the 70th anniversary of Great October they have launched a highly effective international competition. In connection with this VTsSPS [All-Union Central Trade-Union Council], the Komsomol Central Committee, and the Union of Soviet Friendship Societies and Cultural Ties with Foreign Countries, along with Minneftegazstroy, have undertaken a number of measures to support the initiative of the socialist countries to organize labor watches and shifts, contests of professional skills, festivals and friendship evenings, and joint sociopolitical measures dedicated to this momentous date.

The Peace and Friendship Labor Competition started at Moscow on 28 March 1987 at the Progress trunk gas pipeline construction project and other international facilities of the gas and oil industry being constructed in the USSR have given powerful new impetus to the ever widening scope of effective international socialist competition and to the involvement and active participation in it of all the workers of international construction projects.

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